

Retail Apocalypse

Plan for Reinvigorating Commerce
in Hell's Kitchen & Hudson Yards

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Executive Summary

The retail apocalypse is the collapse of the standalone viability of brick and mortar retail seen over the past two decades. Two reasons are often given for this sharp decline: the over-extension of suburban malls and the rise of e-commerce. In tandem, the two forces are said to cause rippling effects into cities, as national chains lose their suburban footprint to online sales, they shutter doors in urban centers as well. The results of this are deserted malls, chronically vacant urban storefronts, and abandoned city retail districts. The COVID-19 pandemic has only accelerated and dramatized an ongoing decline.

[connection between retail apocalypse and our themes -> absences of public life, dynamism, and community]

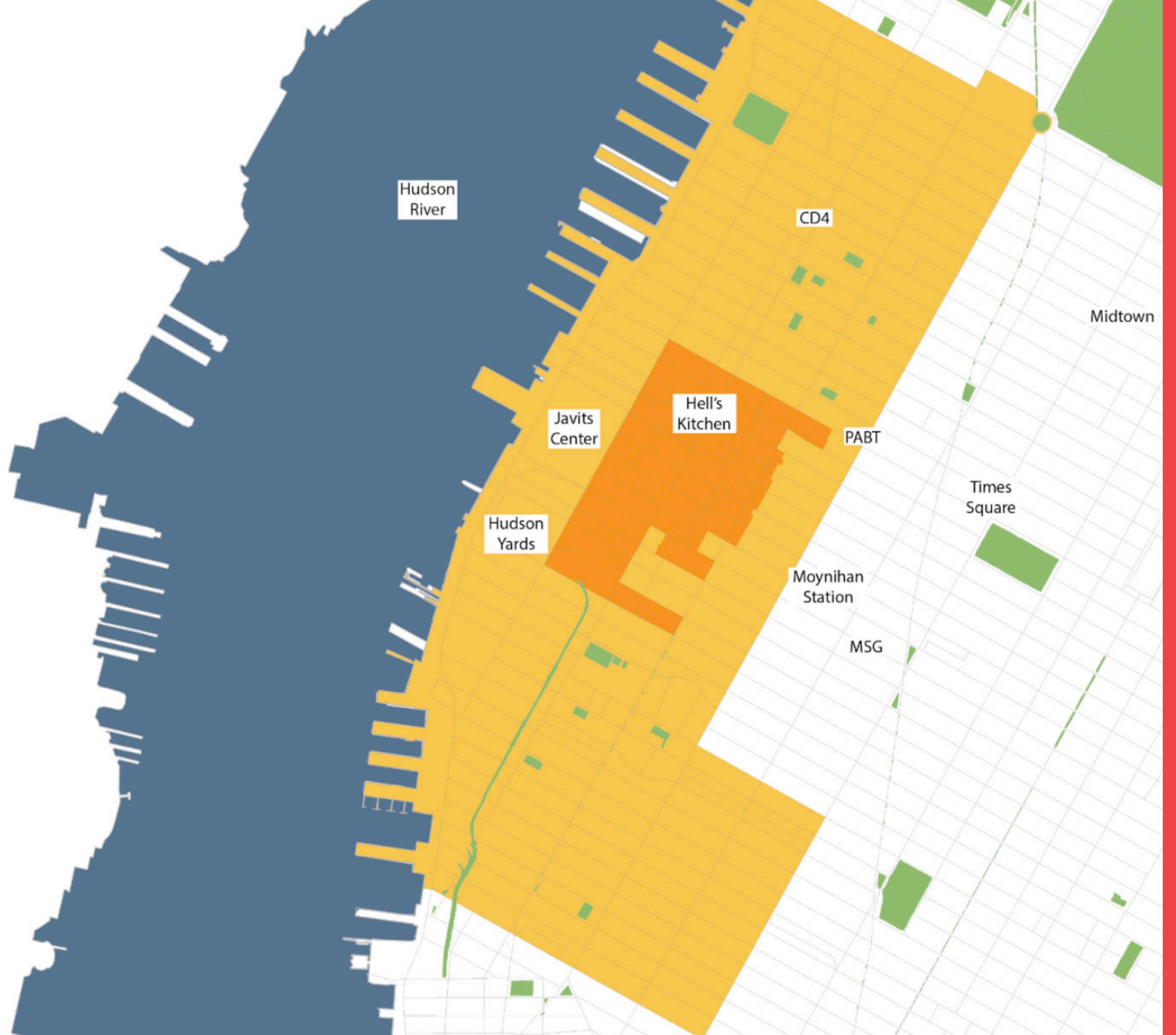
In New York, evidence of the retail apocalypse is abundant. The city had been dealing with high storefront vacancy rates for years before the pandemic. High rents make retail spaces too risky for potential tenants, and long, inflexible leases make many shops too risky for landlords. In August 2020, Manhattan Borough President Gale Brewer conducted a study that showed a stunning 78% increase in storefront vacancies along Broadway since 2017. If such a famous boulevard could fall so far, what might the apocalypse look like in Hudson Yards Hell's Kitchen.

[Intro should also maybe include our lit. review from before mid term. Introduce the client and the study area. Our mission statement, etc. (I'm assuming this isn't done yet)]

Brick and mortar retail has been in a tail-spin over the past 20 years and freefall collapse in the COVID-19 pandemic. Shopping malls have died, urban storefronts have gone vacant, and retail districts have become ghost towns. The rise of e-commerce is often given as the reason for this long decline, and so is the overextension of suburban malls. But the two are one in the same. The shopping mall was the paradigm of retail for the past half-century, and it depended on a concept of simulating urban vitality where none actually existed. A worthy symbol of suburbanization, it was a substitute for vibrant streetscapes and a retreat from urban community. But the mall did not stay in the suburbs: it was the concept of the mall that overextended into rigid and inflexible city storefronts that intend to shelter patrons from the urban environment rather than integrate with it. It was the concept of the mall that overextended into one-click shopping without venturing out of the home. E-commerce arose to fill that space that is now vacant of a vibrant public realm, it filled that social distance that we've had to maintain throughout the COVID-19 pandemic. The retail apocalypse is an aftershock of an urban apocalypse.

The fallout of the retail apocalypse in New York is abundant. The city had been dealing with high storefront vacancy rates for years before the pandemic. High rents make retail spaces too risky for potential tenants, and long, inflexible leases make many shops too risky for landlords.

It is an ongoing stagnation that COVID-19 has only dramatized.



In our study area alone there is a 23% vacancy rate. Our studio examined how the retail apocalypse is playing out in Hudson Yards and Hell's Kitchen. Our study area is from 30th to 42nd Streets and 9th to 11th Ave—the neighborhood could lose as many as 33% of its small businesses. The area is enclosed on all sides by large institutions and dominated by infrastructure. To the west is the Javits Convention Center, to the east is Madison Square Garden and the new Moynihan Station. To the north is the Port Authority Bus Terminal and south is the glittery Hudson Yards development. In all, our study area is a transitional space between the residential core of Hell's Kitchen and the promised commercial powerhouse of Hudson Yards, an area that could either be a clash of two worlds or a model integration of mixed populations and uses.

But right now it is a fractured district. Hudson Yards is a shiny, glamorous, and towering brand new development for the ultra rich. Its glass towers crash against historic, working class, and low-rise Hell's Kitchen. As if to emphasize this disunity, the infrastructure of the Lincoln Tunnel and the Port Authority Bus Terminal splits the neighborhood down the middle. The district is fractured socially as well by extreme wealth disparity. Homelessness has grown to a neighborhood crisis in the past year. At the same time, retail has flatlined.

COVID-19 has forced office workers and tourists to stay at home, depriving the district of its economic base. Before the pandemic, employees in surrounding neighborhoods frequented the affordable restaurants and shops in Hell's Kitchen. Their sudden disappearance, and the absence of tourists, has also destroyed the promise of Hudson Yards to be a commercial powerhouse for the



23% of storefronts surveyed between 9th and 10th Avenue, 33rd and 42nd Street were vacant in March 2021.

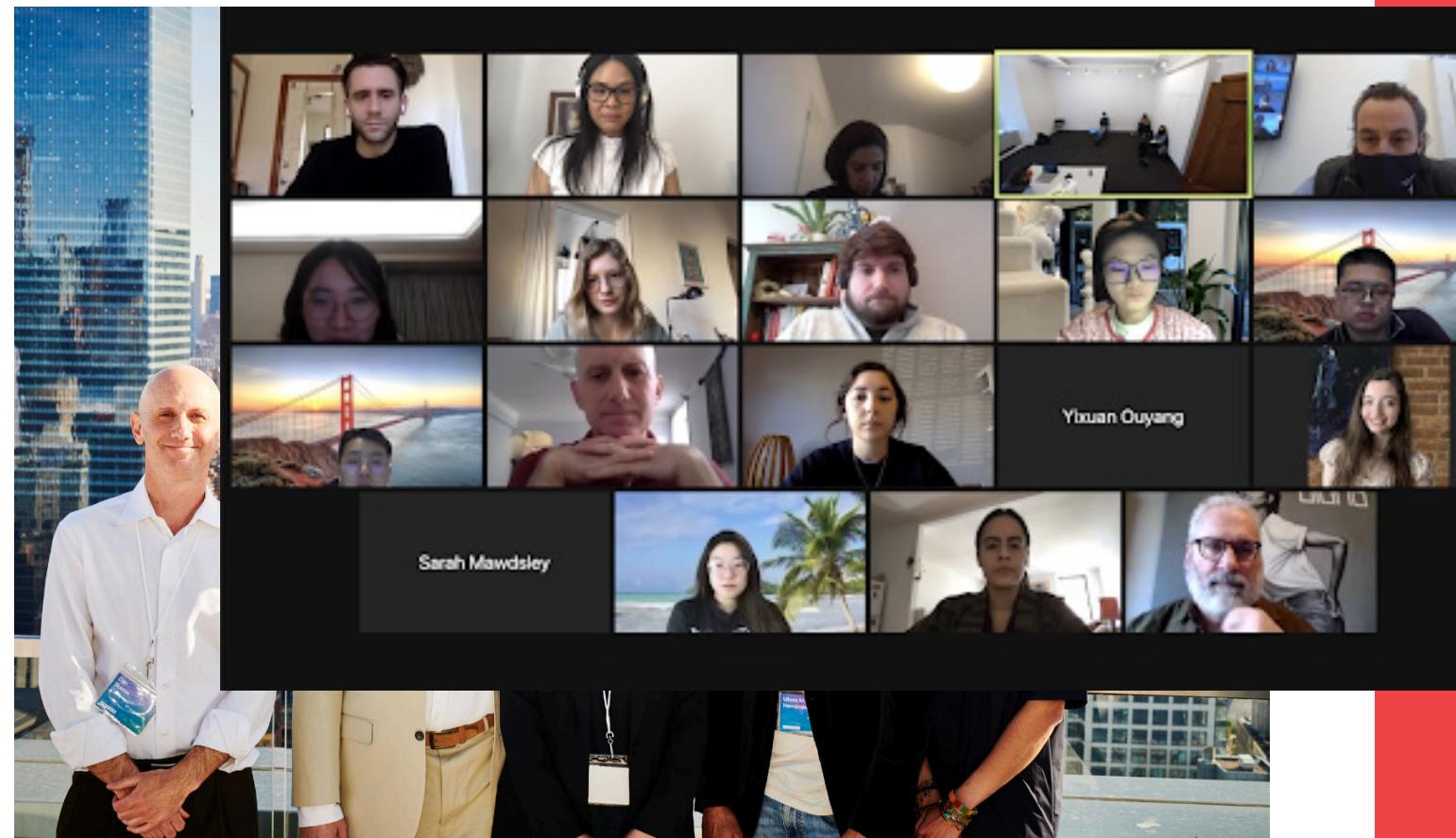
“Small businesses in the neighborhood are still in existence, but they’re hanging on by a hair... In the end we will lose somewhere between 25% and 33%.

- Robert Benfatto, President, HYHK Alliance

Our mission is to plan a recovery from the COVID-19 crisis in Hudson Yards and Hell's Kitchen that addresses the underlying issues plaguing American retail in the past two decades: to heal the fractured urban landscape, re-integrate commerce with a sense of community, and create a vibrant, flexible and dynamic retail environment for the future.

The Hudson Yards / Hell's Kitchen Alliance is the client of our studio, and we'd like to thank Bob and Patty for being with us today. The Alliance is a Business Improvement District, or BID, that covers our study area. It is made up of a board of property owners, retail and residential tenants, and public officials passionate about bringing social vitality and economic prosperity to the neighborhood. Pictured here are Daniel Scorsese, Bob Benfatto, Patty Maltezos, Ulises Hernandez, and Nikkole Mojika.

We are a team of twelve students with backgrounds in architecture, sociology, real estate, urban studies, economics, public policy, business, and environmental studies. Seven of us are in New York City, and five of us are in China. Since January, we've worked over Zoom and with digital tools like Miro with our professors and TA to put our diverse skills together to understand the challenges facing the district and design new, innovative, and forward-looking solutions.

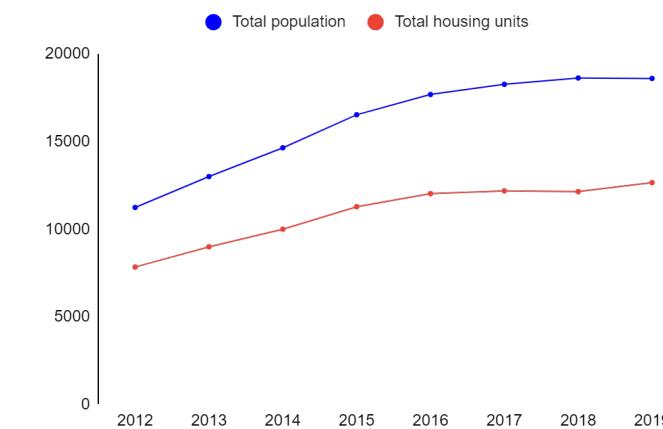
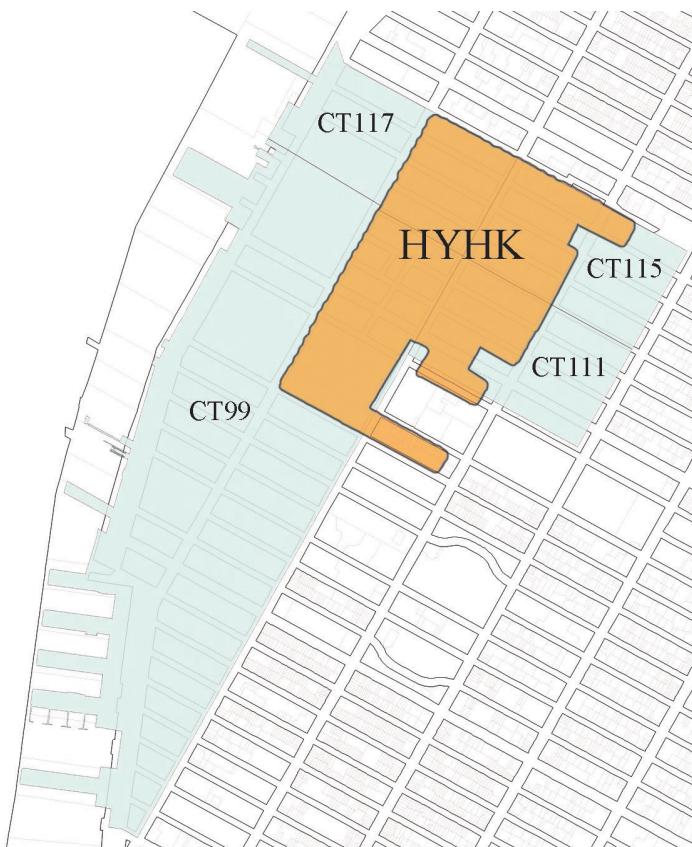


Community Engagement Process

To understand the retail apocalypse in Hudson Yards and Hell's Kitchen, we conducted three main forms of primary research. To better understand the challenges in the neighborhood, we conducted our own census of retail vacancies in the district, and we held interviews with key stakeholders and community leaders. Next, to help formulate our recommendations we conducted a community survey to measure interest in our proposals. But first, we will review the demographics of the neighborhood.

Demographic Snapshots

Population figures in the district were fairly consistent from 2012 to 2019. In these years the area was about 60% white and about 10% African American. The household poverty rate remained below 5%, and the housing vacancy rate declined significantly in this time. As data from the past two years become public, it will be interesting to see how the completion of Hudson Yards and COVID-19 have collided to affect the neighborhood's demographic makeup.



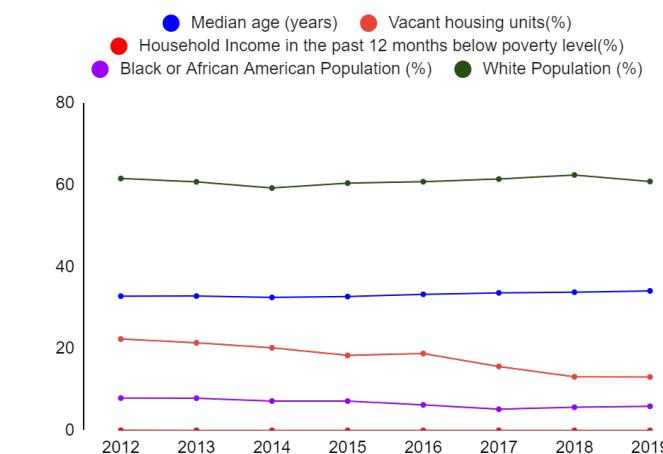
HYHK Borders Major Employment Centers

In 2018...

Within **1/4 mile**: over **250,000** employees

Within **1/2 mile**: over **610,000** employees

Within **1 mile**: over **1.3 million** employees



Retail Vacancy Census

In March we conducted a census of storefronts in the district and recorded details about their status. We noted open stores, vacant storefronts, and stores temporarily closed due to COVID. As stated previously, our research found a 23% retail vacancy rate in the district. We also noted details about restaurants in the area and found that only one third of restaurants use the outdoor dining program.

Location: 9th & 10th Avenues, NYC

Time: March 2021

Cases identified: 175 stores

Findings:

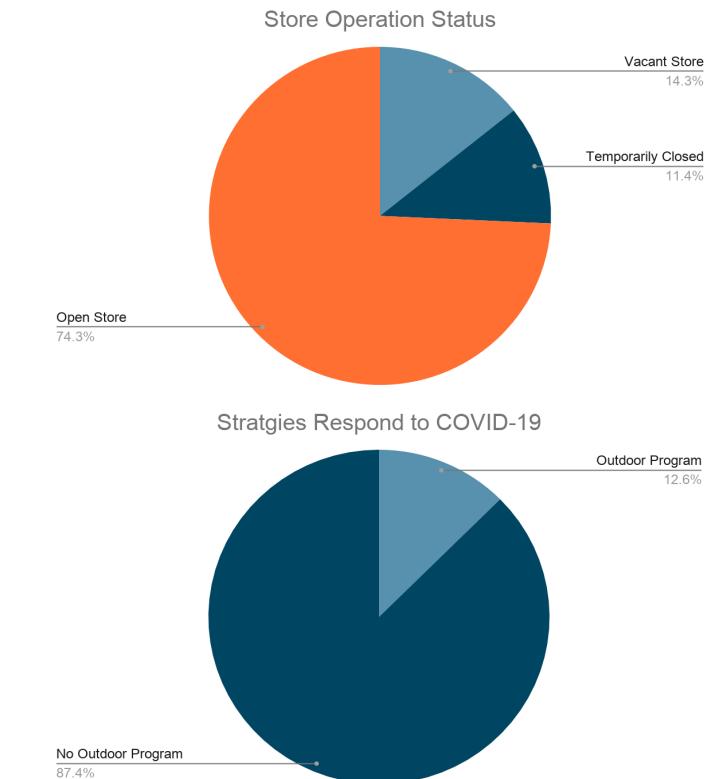
- **23%** of stores are either vacant or closed
- Roughly **1/3** of all restaurants or bars use the outdoor dining program

Stakeholder Interviews

We held 8 interviews with stakeholders from key institutions in the neighborhood. These included nonprofits like Hudson Guild, a community development organization, and Housing Conservation Coordinators, a tenant advocacy group. Some issues they recommended we address are the car-orientation of the streets, and gaps in social services in the neighborhood. We also interviewed city agencies such as SBS and DOT that are relevant to the implementation of our proposals.

"Traffic congestion caused by Port Authority Bus Terminal and the Lincoln Tunnel are increasingly incompatible with new residential zoning of the surrounding neighborhoods."

- MCB4, *Statements of Community District Needs & Community Board Budget Requests Fiscal 2022*



"When it comes to retail spaces, [landlords] want to get much more rent. And it's just worth it for them to hold on to it rather than to get involved in long term leases."

- Leslie Thrope, HCC



HK HELL'S KITCHEN
SC SOUTH COALITION
NYC Small Business Services

NEW YORK CITY



hudson guild

Housing Conservation Coordinators, Inc.

Community Engagement Survey

Our community survey was created online and distributed on the ground in the neighborhood with QR code fliers. Questions included opinion polls on some early conceptions of the proposals we will present today. We received 26 responses with mostly positive reactions to our ideas. Mirroring our interviews with stakeholders, community members find the neighborhood too car-oriented and lacking in social services. They also find the commercial environment unengaging and uninviting. Despite these problems, they see their cost of living rising.

Format: Google Survey (QR Code) 26 questions from 9 sections

Time: March 27th - April 6th, 2021

Participation: 26 respondents

Findings:

- Heavily car-oriented
- Unengaging commercial environment
- Lacking social service
- Increasing cost of living

Top 3 Most Desired Temporary Uses (26 responses)



Preference for Non-Commercial Uses (25 responses)



Pedestrian-friendly Neighborhood Preference (25 responses)



COLUMBIA GSAPP URBAN PLANNING

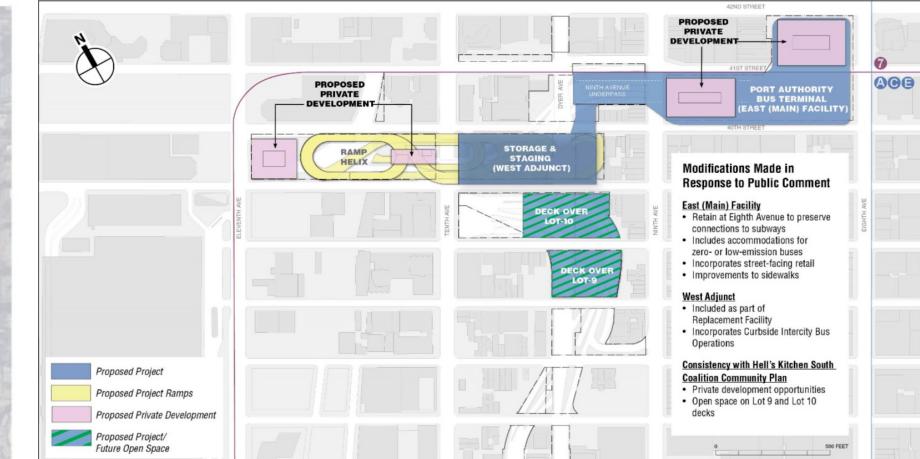
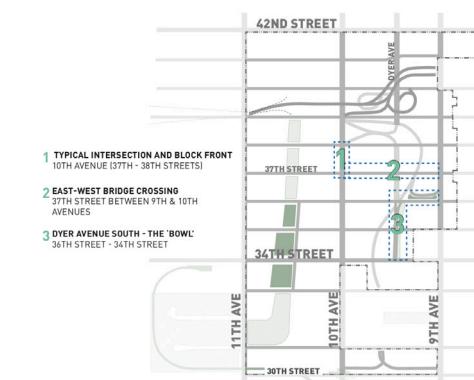
We are making a **community plan** for Hell's Kitchen and Hudson Yards; take our community survey to **make your voice heard** on how to it can best address the neighborhood's needs



<https://tinyurl.com/HYHKCU>

Existing Neighborhood Plans

We also researched existing neighborhood plans and city reports to ensure that our recommendations are part of a broader conversation about improving the district.



Existing Neighborhood Plans

From this research, we have created a holistic proposal for restoring and ameliorating the commercial and social fabric of HYHK. This plan begins with repairing and reinvigorating the streetscape itself, then we propose a new dynamic model of retail, which we call Agora 2021, next we will extend this concept to the vacant spaces around the neighborhood in a model we title FlexHYHK, and finally, we integrate a retail revival with a strengthening of much needed social resources for the district.

Integrated and Holistic Proposal



Recommendations

Open Streets

Recommendations

Open Neighborhoods



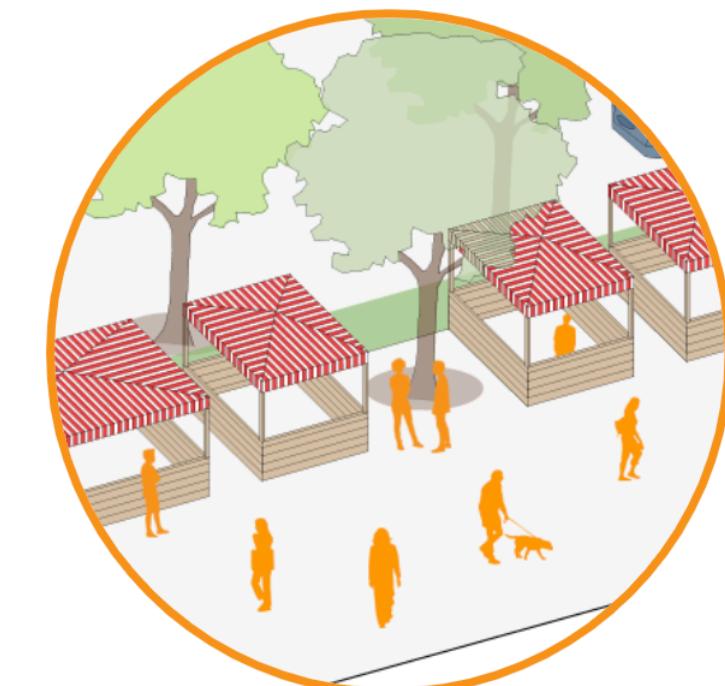
Open Streets



9th Avenue



10th Avenue



Paddy's Market
Revival

A Fractured Urban Landscape

Transforming HYHK into a bustling cultural and commercial hub begins with restoring its streets to their former glory. Hell's Kitchen was once home to vibrant public social life. In the early twentieth century, Paddy's Market along 9th Avenue was New York's busiest and most famous outdoor pushcart market. The market welcomed large and diverse daily crowds into Hell's Kitchen by serving everyday grocery needs, offering cuisines from around the world, and selling novelty souvenirs among many other goods and services. For fifty years the market was both a magnetic attraction and a community asset for neighborhood residents.

However, the opening of the Lincoln Tunnel would end the storied run of Paddy's Market and permanently fracture the neighborhood's streetscape and public realm. Not only did the tunnel demand the destruction of entire blocks and hundreds of buildings, the cars that poured in and out of the tunnel each day demanded the street space enjoyed by market goers. Paddy's Market was disbanded in the 1930s, and the construction of the Port Authority Bus Terminal in the ensuing decade would only further splinter the neighborhood's vitality with auto-oriented infrastructure.

Today, HYHK is a maze of ramps and a stampede of traffic – hostile grounds for pedestrians and businesses alike. The car-orientation of the neighborhood makes HYHK into a place to go through rather than a place to go to. Commuting drivers do not stop to spend time in the neighborhood, and the harshness of the car-dedicated environment repels pedestrian foot traffic as well. The result is a compounding detriment to neighborhood retail that requires intervention.

Open Neighborhoods is our proposal to revive retail by reinvigorating the district at the level of the streetscape. The proposal elaborates on the PABT renovation plan to install new open space by platforming over ramps, it is informed by the citywide Open Streets program, and it expands upon an existing movement to restore Paddy's Market. Open Neighborhoods imagines an HYHK completely revamped by a network of open green spaces, pedestrian-centered streets, pedestrian-friendly avenues, and a revived outdoor market.



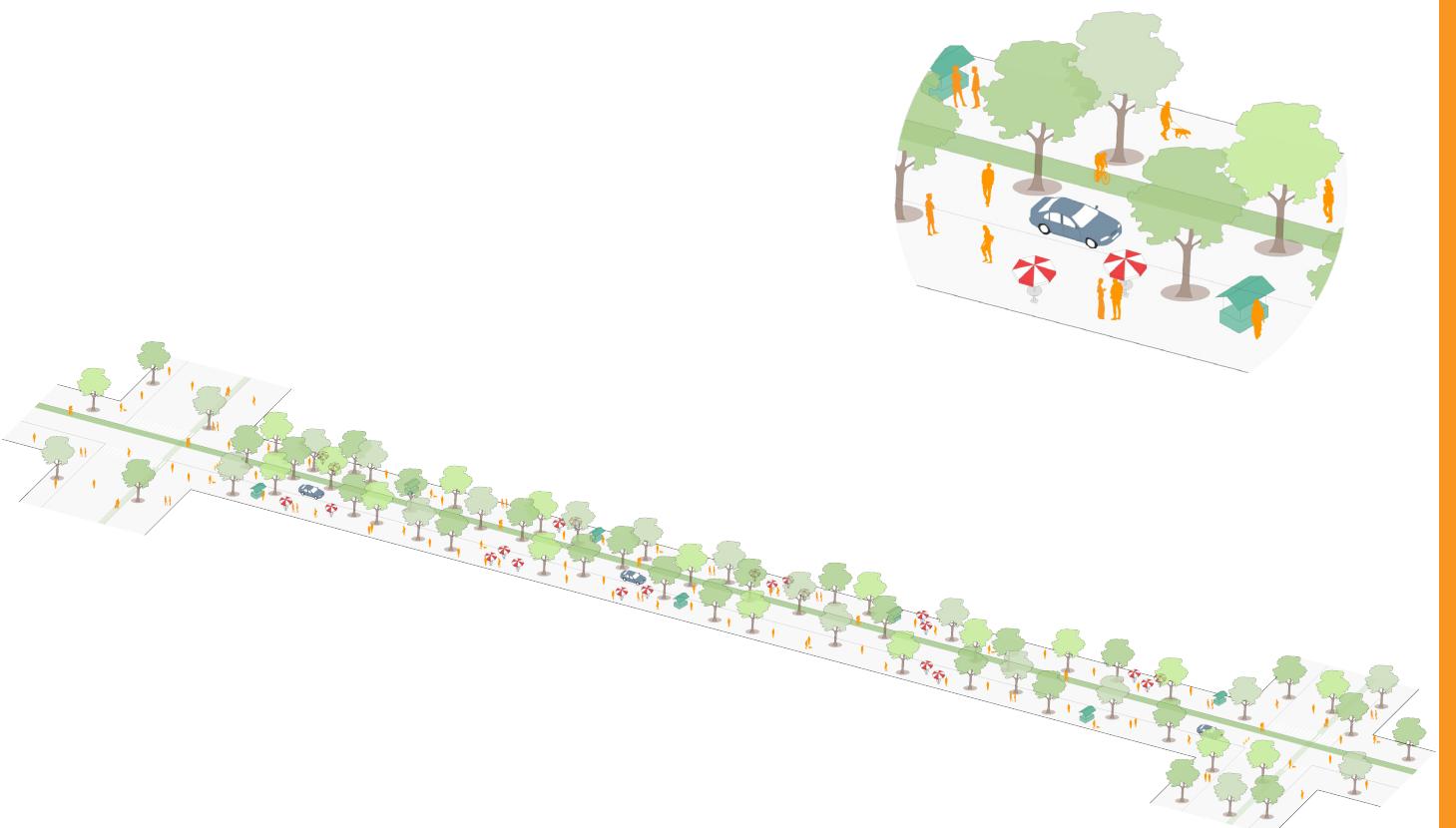
Existing Conditions

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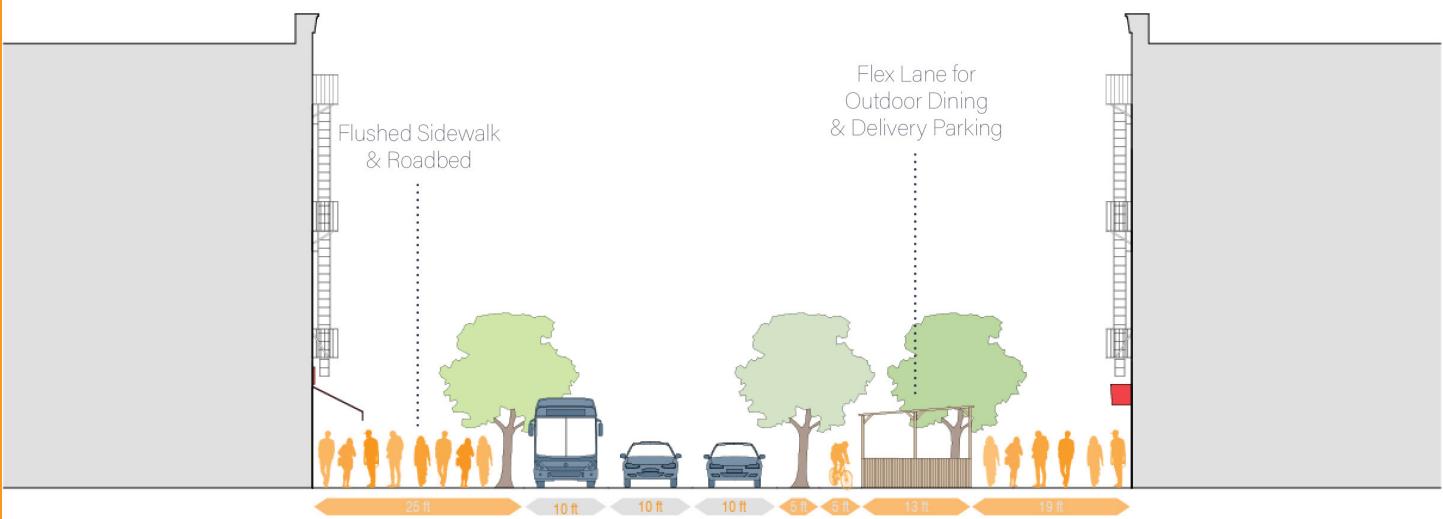
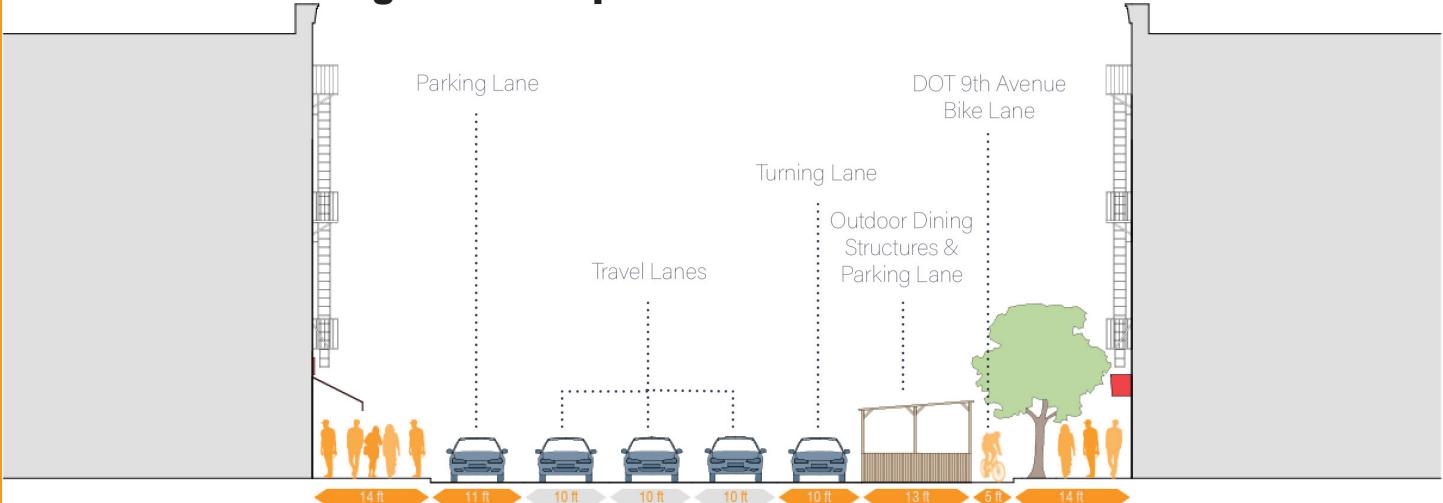


Open Streets

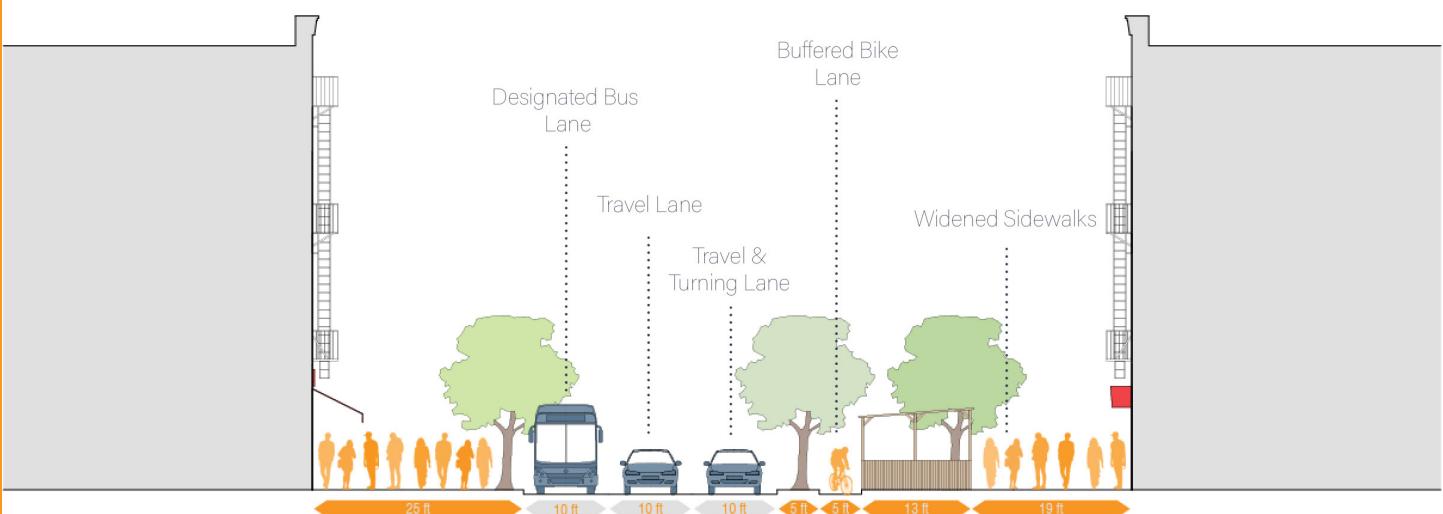
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9th Avenue Existing Streetscape

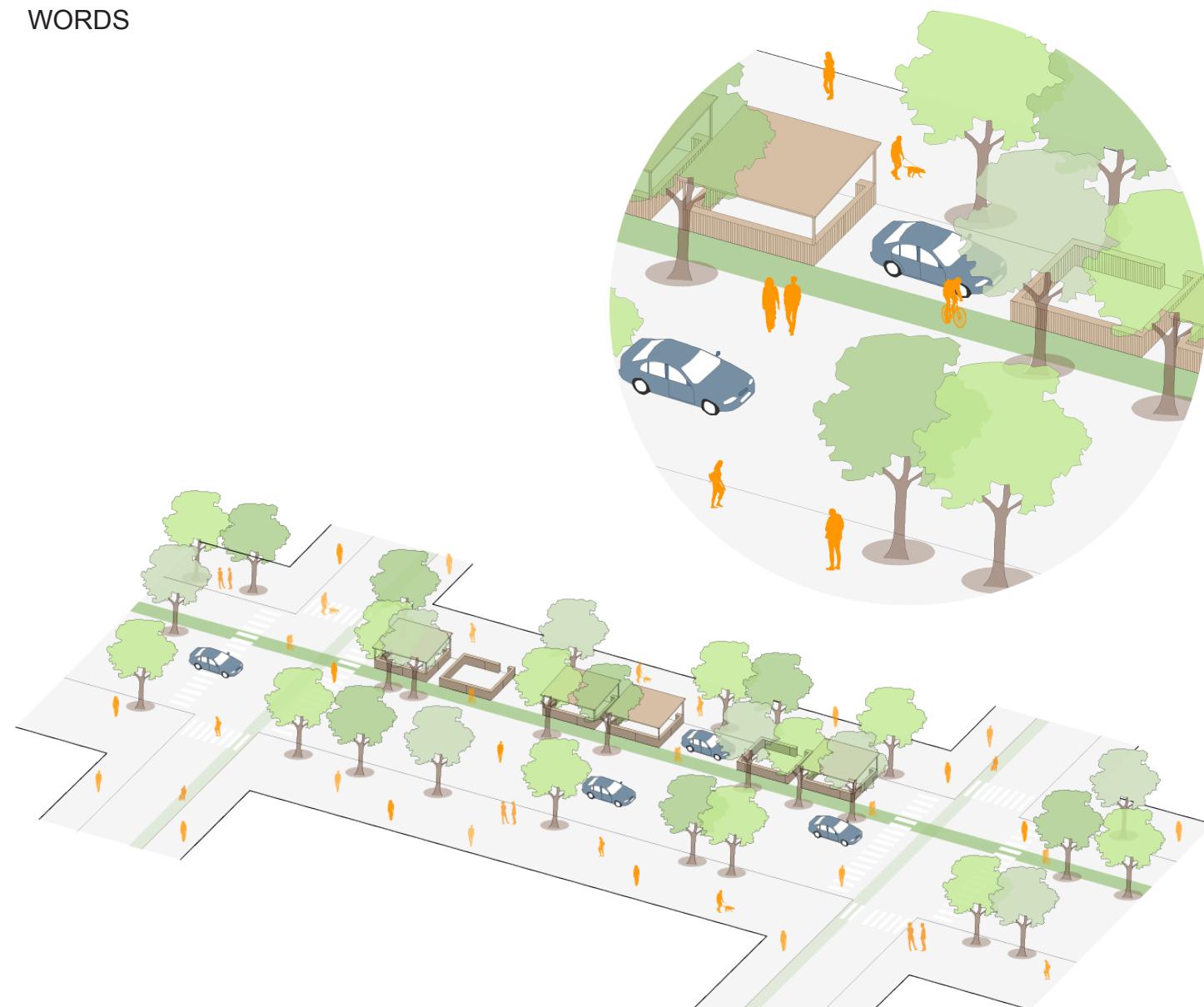


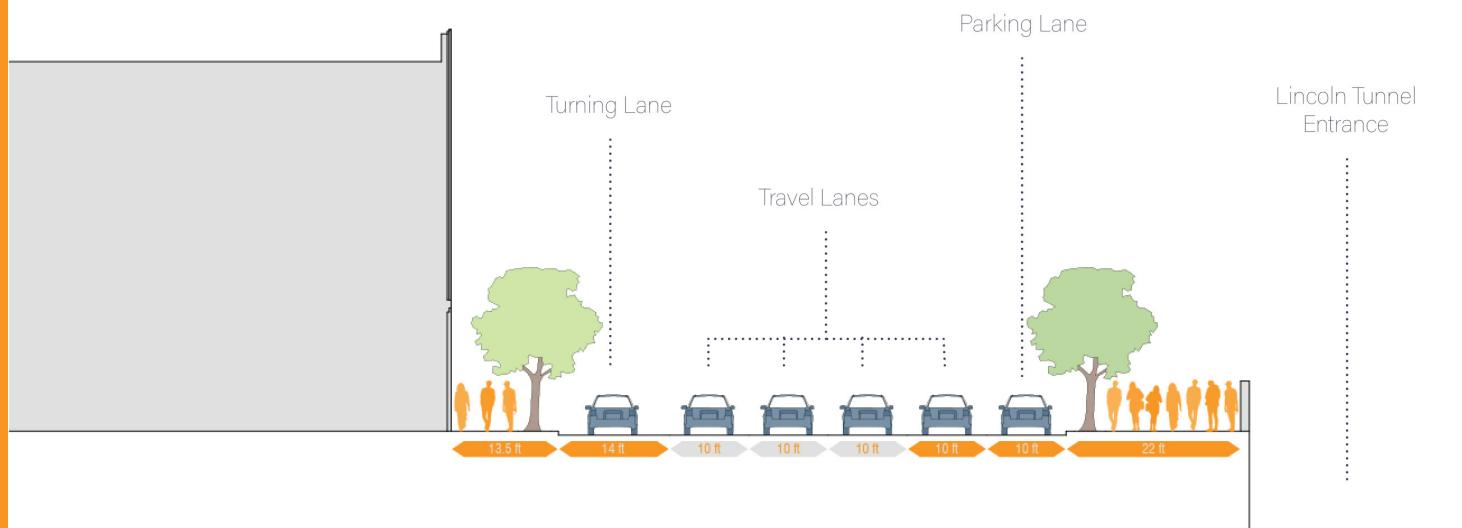
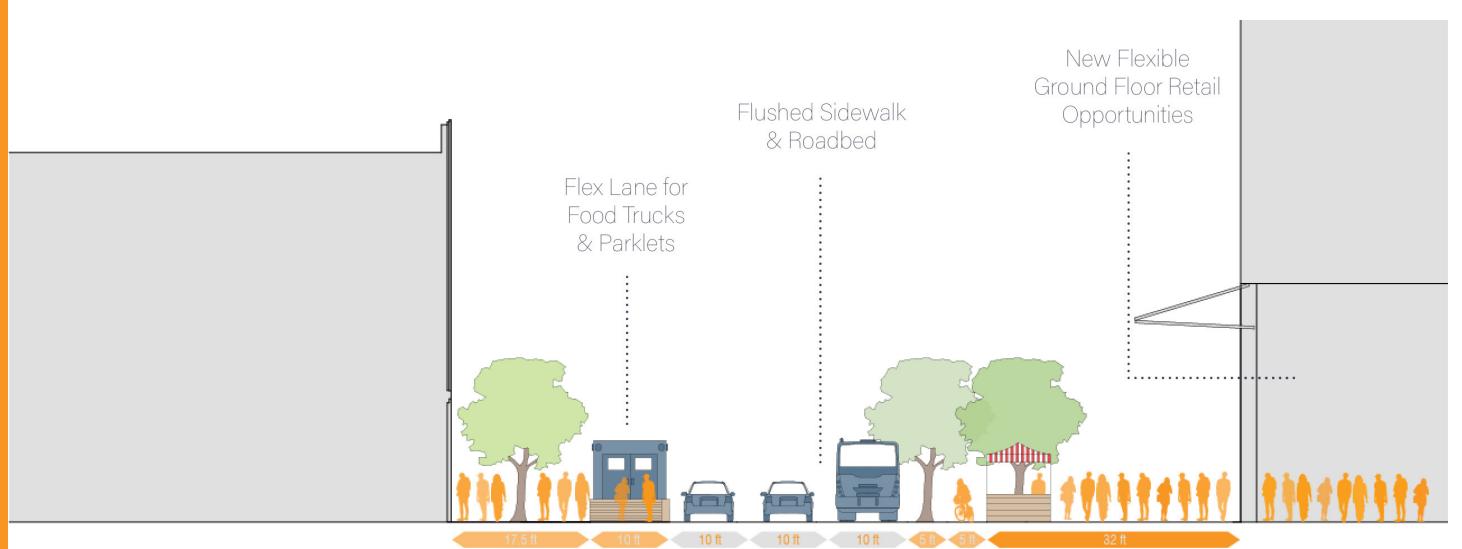
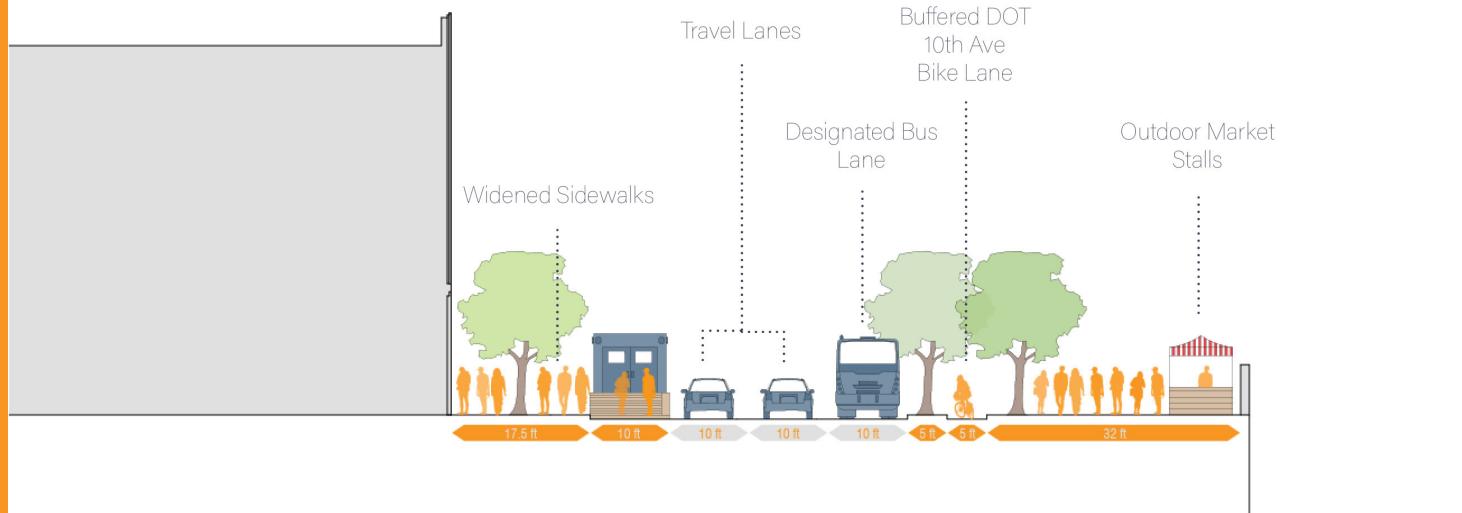
9th Avenue Existing Streetscape



9th Avenue as a Shared Street

WORDS





10th Avenue as a Shared Street

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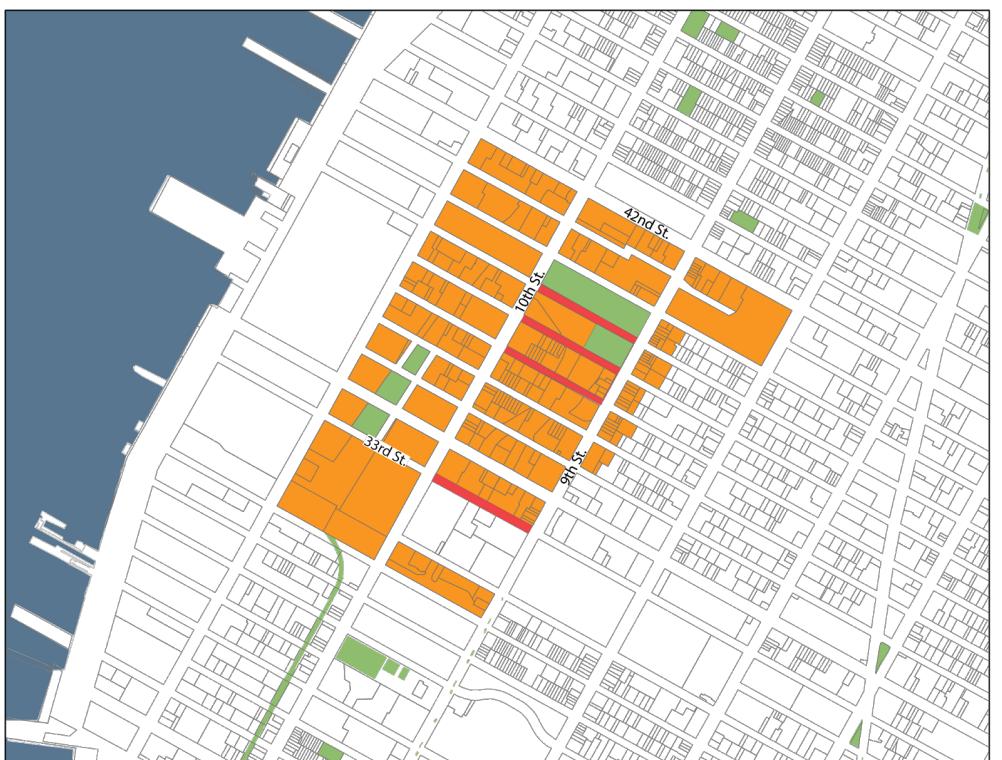
Paddy's Market Revival

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Open Streets Proposal

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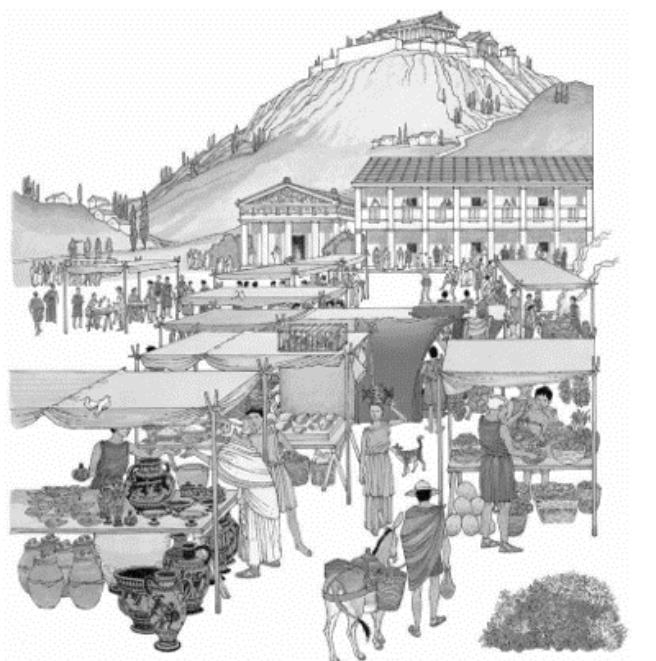
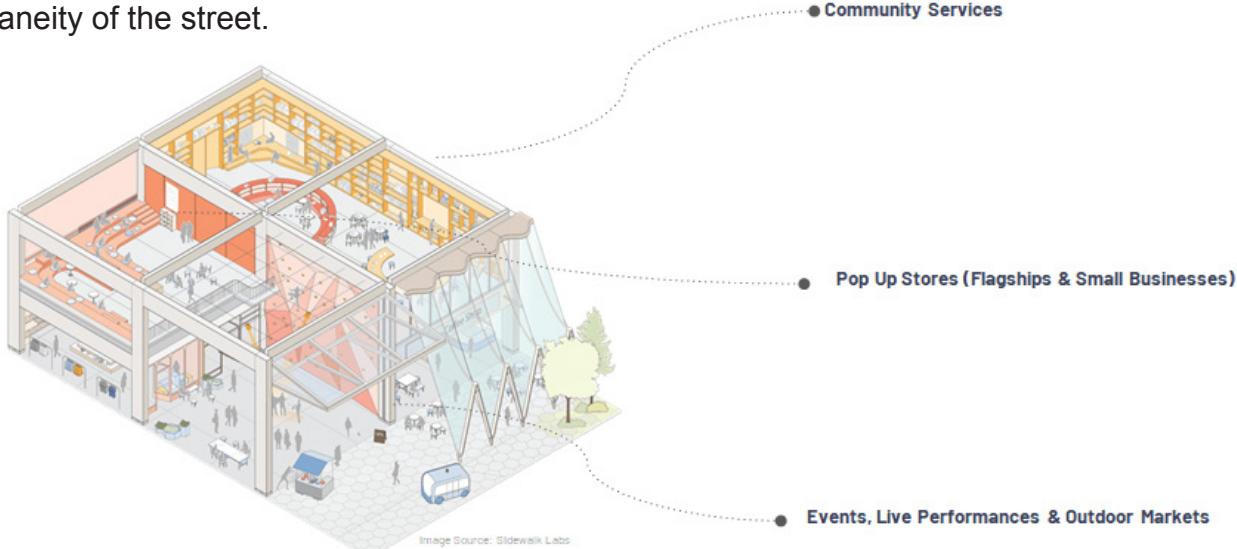
Recommendations

Agora 2021

Retail thrives when it is an integrated social experience, and fails when it is severed from the public realm. The mall is an outdated model of retail that rests upon simulating the public realm of the urban streetscape within a neatly organized and controlled space. To compensate for its lack of organic excitement, the mall must constantly outdo itself in elaborate ploys to capture consumer attention and interest, which transpires as a race to make the mall more of an exceptional destination and less of an integrated part of everyday public life. The model ultimately fails to capture the spontaneity and organic dynamism of the streetscape, and thus fails to retain customers. The Shops at Hudson Yards is a mall that, due to the COVID-19 crisis, is in danger of reaching this fate already.

By contrast, the agora was a model of social space that existed in ancient Greece that integrated all aspects of public life. Commercial, civic, leisure, and religious activities all occurred side by side in the agora, a dynamic space that sat at the very center of the city and the center of Greek culture. Rather than making commerce an exceptional experience, the agora fostered markets by blending them with the everyday.

We propose a new model of retail for HYHK that we title Agora 2021. This model imagines an adaptive floorplate of indoor commerce featuring flexible, short-term, and on-demand leases and that mingles with the outdoor markets and environments of Open Neighborhoods. In addition to mixing indoor and outdoor environments, the model incorporates technology to blend online and in-person commerce. Agora 2021 is a departure from the mall model of retail in that it seeks to reintegrate – rather than simulate – the broader public realm and the spontaneity of the street.



The rigidity of the mall is not only seen in its artificial environment, but in its model of leasing space. Typically, a commercial floor plate will seek one major retail anchor to commit to a twenty-year lease. Smaller tenants are typically expected to sign on to five- to ten-year leases. Agora 2021 remedies the stagnation inherent in such long lease terms by offering flexible ground floor space in short-term increments to retailers, food vendors, artists, performers, and others. Short term leases mean the space is rapidly responsive to changing and dynamic neighborhood needs: an entrepreneur may set up shop to contribute to a weekend festivity, or to meet a niche seasonal demand of a growing demographic. In a given year, Agora 2021 can host hundreds of tenants of different sizes and types to provide a rich, diverse, and engaged commercial and cultural environment.

Agora 2021 incorporates technology to both organize tenancy and further advance a dynamic experience. The model will use an online platform to advertise, price, and lease space, and tenants will be able to view and reserve areas at the click of a button. The platform would be responsive to social media feedback and data on market trends to offer promotions and advertise for particularly in-demand uses. Furthermore, Agora 2021 is amenable to omnichannel retail – commerce that blends online and brick-and-mortar shopping. Tenants may set up shop with only sample products and no physical inventory, then sell products to be shipped to customers' doors.

Agora 2021 is a powerful model of retail because it optimizes both social benefit and financial viability. It meets a high threshold of equity and inclusion precisely by virtue of its dynamism and responsiveness to community needs. The new floor plate includes pop-up stores for small businesses and flagship retailers, space for community services, live performances and outdoor markets. This mixture of tenants and activities will provide a diverse variety of retail experiences and services that cannot be found online. These same virtues are also exactly what lend greater financial viability to the model, as it is not vulnerable to stagnant and sluggish tenants.



Agora 2021 can be installed in any development with a large floorplate. Several of these sites exist in the district, especially in the Hudson Yards development, and several more will be constructed in the coming years. To more fully integrate this proposal with a cohesive plan for HYHK, we propose that Agora 2021 be included in a new development on 10th Avenue between 38th and 39th Streets as part of the PABT renovations. Here, Agora 2021 will be able to interface with the new open green space, the Open Neighborhoods streetscape, and the revived Paddy's Market to more fully unlock its dynamic potential.

Agora 2021 is the solution to the stale and failing model of the shopping mall. Whereas the mall provides artificial experiences in simulated environments, Agora 2021 provides rich and authentic experiences by integrating with the dynamics of the public realm and the streetscape. It is an inclusive concept that unites traditional models of community with modern experiences of retail, and a forward-thinking framework that will help propel HYHK into the cutting edge of retail.



Flex HYHK

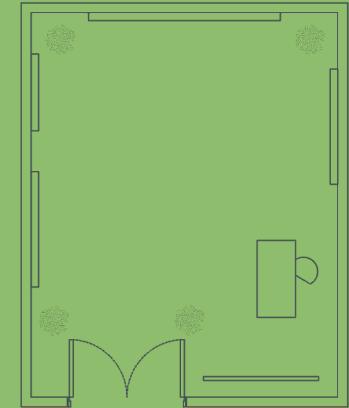
New York was suffering an epidemic of vacant storefronts long before COVID-19. While some retail districts have recuperated, others, like Hell's Kitchen, continue to struggle. Using the retail vacant storefront survey we developed through several walking tour site visits, we investigated the status of storefronts along 9th and 10th avenues to track the impact of COVID-19 and to identify sites for intervention. Based on our findings, we are proposing the implementation of a digital platform named FLEX HYHK.

FLEX HYHK is a network that directly links retail landlords to potential tenants, and business owners to potential storefronts. The FLEX HYHK website is modeled after Airbnb which connects travellers to short-term rental housing. However for our model within the retail context, FLEX HYHK will provide streamlined access for both tenants to identify available sites for short term pop-ups, and landlords to screen potential tenants. Leases will be short and flexible, reducing risk for both parties and creating a more dynamic streetscape throughout the neighborhood. Although the concepts of pop ups have been around for a while, FLEX HYHK allows for a more technologically advanced and digital methodology, creating a one-stop shop for retailers and businesses to be able to view various different vacant spaces that are available to rent on a short-term basis. The coordination and ease of our model is what distinguishes this pop-up attempt from other attempts made by the BID. Indeed, the ease of access and set up will lower the cost of entry for landlords. In addition, we will target landlords strategically based on certain fiscal characteristics, like debt load, that might impact their propensity to buy into the program. To facilitate a seamless leasing process, FLEX HYHK includes four model templates that will address a diversity of tenant needs.

The FLEX HYHK pop up templates can accommodate a range of needs for various types of tenants when leasing a temporary space. These templates minimize the barriers to entry and create a frictionless rental experience. For each of the four templates, there is a set amount of furniture which will be purchased through a combination of BID funds and a collaboration with the Department of Small Business Services. The FLEX HYHK website will outline how the furniture can be arranged to suit a given client's needs for each of the four templates.

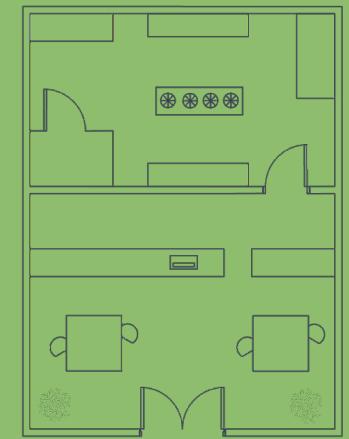
Art Galleries & Performance Spaces

For art galleries and performance spaces, we envision a place for community-oriented artists and fundraising events to promote a cohesive community and provide funds to promote the financial recovery of the theater and performing arts district.



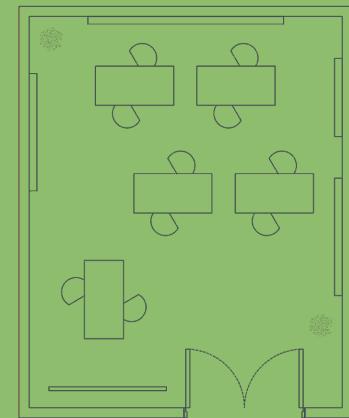
Restaurants

Pop-up restaurants offer the opportunity to revive the Hell's Kitchen neighborhood with innovative approaches to the dining experience and serve the demand for test kitchens and experimental restaurants identified by the community survey results. In this template, we envision restaurant spaces that will allow chefs and business owners to branch out and experiment with new cuisines at a reduced cost which is especially important in a city like New York with notoriously high upfront costs for opening a restaurant.



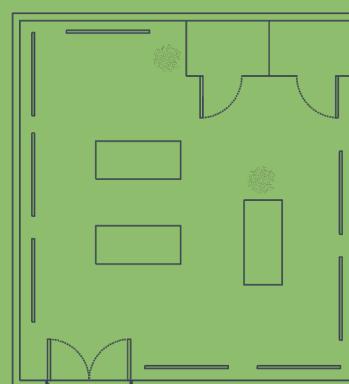
Coworking Spaces

The template for co-working spaces will provide dynamic, cohesive spaces with all the materials necessary to succeed in a post-pandemic working environment. While there is still uncertainty regarding the return to in-person work, some of the biggest companies like Twitter and Pinterest have signaled plans to halt the expansion of their campuses and plan for office shrinkages. The FLEX HYHK template for co-working spaces will provide flexible options for business owners that may require employees to work in-person or for remote employees that are looking for a more productive working environment.



Retail Spaces

While pop ups have generally catered to luxury brands like Warby Parker and Boohoo, the FLEX HYHK pop up retail template will serve a variety of retail needs. This template will provide temporary spaces for traditionally online-only retailers like Etsy to showcase their products in-store and gauge public opinion and for local small business owners who want to test retail ideas with reduced risk before being locked into a long-term lease. This template will also allow for luxury pop-up experiences through a collaboration with the Hudson Yards mall. This retail pop up template caters to a broad range of retail needs, from luxury brands to burgeoning small businesses, to accommodate a variety of tenants and shoppers' needs.



To market FLEX HYHK, we created a three pronged marketing plan. The link to this platform will be posted on the HYHK BID website and will allow prospective tenants to access available vacant sites, view floorplans and lease vacant properties. In addition, flyers with QR codes will be created that links to the FLEX HYHK website and will be posted on the windows of the spaces listed on the platform as well as other brick and mortar locations in the BID. These flyers can also be distributed in person at Community Board meetings and potentially at Paddy's Market as means of advertising the FLEX HYHK website. FLEX HYHK will seek to partner with the New York City Department of Small Business Services to facilitate outreach to landlords and gain new listings. Through this seamless partnership between the HYHK BID, real estate brokers and the NYC Department of Small Business Services, FLEX HYHK will create and form a pop up business strategy to fill open spaces to suit a variety of tenants and a diversity of retail needs.

(need screenshot of marketing plan)

Using the vacant storefront survey, several vacant sites that could be leased for pop ups were mapped. These sites will be transferred to the FLEX HYK website where tenants and brokers can browse and locate their ideal site for their specific use and business.

In an interview with Leslie Thrope of Housing Conservation Coordinators, a: nonprofit in Hell's kitchen, she reflected that some landlords have resorted to warehousing units to avoid renting at a lower price. New York has been unable to solve this crisis. City officials have made several attempts to address the root causes of storefront vacancies. Some have proposed a vacant storefront tax, but so far no solutions have been reached. One reason why so many storefronts remain vacant is that landlords are unwilling to enter long term inflexible leases, especially in uncertain times. We intend to change this.

One challenge facing implementation is that many spaces in Hudson Yards and Hell's Kitchen are mixed use commercial/residential buildings, meaning that much of the revenues collected by the property owner are from residential properties. Buildings with low vacancy rates and high rents with vacant commercial spaces are the ideal targets for our program. Despite downturns reported during the pandemic, the Midtown West residential rental market has rebounded. According to a Feb 2021 market report from Corcoran, the vacancy rate of Midtown West was 3.28 percent, below the healthy vacancy rate of 5 percent. In addition, the median rent in the same location was 2,800. 20https://www.ecorcoran.com/uploaded_doc/Corcoran_February_2021_Rental_Market_Report.pdf

Another factor to consider is whether the development site is new or old rental. Properties that have paid their debts will be more likely to take on the risk of a short term rental. Based on our market analysis, we believe that the Midtown West market offers the ideal mix of residential demand and moderate commercial leasing prices to entice both property owners and tenants to lease pop ups as a solution to their retail needs.