



An Economic Snapshot of the Greater Sunset Park Area

Highlights

- Since 1990, the population in the Greater Sunset Park area has grown twice as fast as in New York City overall.
- Immigrants represented 49 percent of the population in 2014, higher than the citywide share (37 percent).
- Asian residents have been the fastest-growing segment of the population since 1990, increasing by 241 percent.
- The number of businesses increased by 56 percent between 2000 and 2014, four times faster than the citywide rate.
- Private sector employment increased by 9.9 percent over the past two years, setting a new record of 39,920 jobs.
- Health care is the largest employment sector in Sunset Park, accounting for one-quarter of the jobs.
- Manufacturing accounted for 11.3 percent of all private sector jobs, the highest concentration in any City neighborhood.
- Restaurants, bars and hotels accounted for less than 6 percent of the jobs in the area, but nearly one-fifth of the jobs added since the end of the recession.
- Since 2009, the median household income of area residents increased twice as fast as in Brooklyn overall, but poverty and affordable housing remain concerns.
- School enrollment rose by 55 percent during the past 15 years. Despite the addition of several new schools, school overcrowding remains a problem.

The Greater Sunset Park area of western Brooklyn is a dynamic area with residential communities, strong commercial corridors and one of New York City's largest manufacturing and industrial centers. Shaped by its location on the Brooklyn waterfront, the area was a major port during the 19th and 20th centuries. Today, it is undergoing an economic resurgence.

Since 1990, the number of area residents has increased by one-third to more than 150,000. Immigrants accounted for nearly all of the growth and now make up almost half of the population.

The area has also experienced strong business growth, with the number of businesses growing at four times the citywide rate over the past decade. Business and job growth have been helped by the presence of Industry City, the Brooklyn Army Terminal, the South Brooklyn Marine Terminal and Liberty View Industrial Plaza. These facilities host a diverse range of businesses.

While private sector job growth was strong between 2004 and 2008, employment fell in 2009 because of the recession and did not resume growing on a consistent basis until 2012. Job growth accelerated in 2014 and remained strong in 2015 as employment set a new record.

Business growth in the Greater Sunset Park area has been strong, ranging from small retail shops to specialty manufacturers in science, fashion and food production. In the past two years, job growth has been exceptional, creating new opportunities for area residents. While the growing residential population still faces challenges, such as the availability of affordable housing, the Greater Sunset Park area has made considerable progress in recent years.

Introduction

The Greater Sunset Park area is one of 55 U.S. Census-defined neighborhoods in New York City. It is located along the waterfront in western Brooklyn between Park Slope to the north, Borough Park to the east and Bay Ridge to the south (see Figure 1). The area encompasses all of Brooklyn Community District 7 and small portions of districts 10 and 12.

The Sunset Park neighborhood runs from 36th Street to 65th Street and extends east to 8th Avenue. It includes an industrial waterfront and commercial corridors along the major avenues, with residential areas throughout. There are many active churches in the area, including the Basilica of Our Lady of Perpetual Help, one of the borough's largest churches. The neighborhood takes its name from Sunset Park, which has one of the highest elevations in Brooklyn.

The area also includes Bush Terminal Piers Park, a waterfront park that opened in 2014, and Green-Wood Cemetery, a national historic landmark. Windsor Terrace is a largely residential area to the northeast of the cemetery.

A Growing Population

There were 152,700 residents in the area in 2014 (the latest year for which data are available). The population has grown rapidly in recent decades, increasing by 34 percent between 1990 and 2014, twice as fast as the growth in the City's overall population.

The population is younger than the citywide average (34.2 years compared to 37.4 years for the City). The share of the population aged 65 or older has declined to 7.5 percent in 2014, nearly half the citywide share (13 percent).

One-quarter of the population is under age 19. The extension of the Brooklyn Greenway to the Sunset Park area will provide needed open space and recreational programs for younger residents.

Area residents aged 25 or older have made great strides in educational attainment. The share of these residents who have a bachelor's degree or higher rose from 21 percent in 2005 to 29 percent in 2014, a larger improvement than occurred citywide.

FIGURE 1
The Greater Sunset Park Area



An Immigrant Community

The Greater Sunset Park area has long been home to new immigrants. Between 1990 and 2014, the number of immigrants residing in the area nearly doubled, accounting for most of the population growth (91 percent) during that period.

By 2014, immigrants made up almost half of the population (74,600 residents), compared to 37 percent citywide. Almost 42 percent were from China, 23 percent were from Central America and 10 percent were from the Caribbean. More than one-quarter (29 percent) of the area's immigrants have been in the country for 10 years or less.

With such a large immigrant population, it is not surprising that more than half of the residents over age 18 were not proficient in English in 2014, which is double the citywide share.

Hispanic and Latino residents (both U.S.-born and immigrants) accounted for the largest segment of the area's population (40 percent). Many residents can trace their heritage to Mexico, Puerto Rico and the Dominican Republic.

Asian residents were the fastest-growing segment, increasing by 241 percent between 1990 and 2014 to 51,730. By 2014, they accounted for more than one-third of the population. Sunset Park's Chinatown is home to one of the largest concentrations of residents of Asian heritage in New York City, even higher than the number living in Manhattan's Chinatown.

Strong Business Growth

The Greater Sunset Park area has experienced strong business growth for more than a decade. Between 2000 and 2014, the number of businesses grew by 56 percent to 3,840 firms. This was a faster rate of growth than in Brooklyn (43 percent) and the City overall (15 percent).

Most businesses in the area are small. About 65 percent had fewer than 5 employees and about 80 percent had fewer than 10 employees.

Most small businesses were restaurants and bars, were engaged in wholesale or retail trade, or provided personal services (e.g., dry cleaners, hairdressers and nail salons).

Only 55 businesses had 100 or more employees. The largest share of these were involved in health care (27 percent). The NYU Lutheran Medical Center is the area's largest employer. A significant number of firms with 100 or more employees were involved in wholesale and retail trade (22 percent) or manufacturing (15 percent).

An Industrial Center

Sunset Park is home to several large industrial centers. The businesses located in these facilities are involved in a diverse range of activities, including manufacturing, food, fashion, media, the arts, technology, sports and health care.

Privately owned Industry City is the largest facility, with 6 million square feet in 16 buildings on 30 acres. Originally built as a shipping and manufacturing terminal in the 1890s, it is undergoing a 10-year, \$1 billion renovation. Since work began in 2013, about 2,000 jobs have been created.

Major tenants include Time, Inc., Suneris, Design Within Reach, Li-Lac Chocolate, Malia Mills, FilmRise and Media3. The Brooklyn Nets opened a new training facility at Industry City in February 2016. The facility will also host youth sports clinics and community events.

The Innovation Lab at Industry City provides continuing education, job training and placement services to help prepare area residents for jobs in the City's growing technology and innovation economy.

The Lab is operated by Industry City, New York City College of Technology, the Southwest Brooklyn Industrial Development Corporation and two local nonprofits, Opportunities for a Better Tomorrow and the Center for Family Life. It also receives support from Brooklyn Borough

President Eric Adams, City Council Member Carlos Menchaca and Assistant State Assembly Speaker Felix Ortiz.

The Brooklyn Army Terminal (BAT), with 4 million square feet, was built during World War I as a military depot and supply complex. The City purchased the facility in 1981, and has renovated 3 million square feet of space.

Nearly 100 businesses are located in the BAT, including high-tech, biotech, fashion, cultural arts and manufacturing firms. Tenants include eco-friendly furniture brand Urban Green, electronics firm Altronix, chocolatier Jacques Torres, and online marketplace Uncommon Goods.

More than 500,000 square feet is dedicated to the Science and Technology Center at the Brooklyn Army Terminal (BioBAT). Jointly operated with SUNY Downstate Medical Center, the facility caters to life science and technology firms seeking to expand beyond their start-up phase.

BioBAT provides firms access to laboratory and manufacturing space, research programs and economic development incentives. Major tenants include the International AIDS Vaccine Initiative, IRX Therapeutics (immunology treatments) and Modern Meadow (a biotech start-up).

Sunset Park is also home to the South Brooklyn Marine Terminal. Located next to Industry City, the 88-acre facility was developed by New York City in the 1960s as a container ship terminal, and has been largely inactive for decades. In 2013, the City built a recycling facility for plastic, metal and glass on 11 acres of the terminal. City officials are moving forward with plans to revive the rest of the terminal.

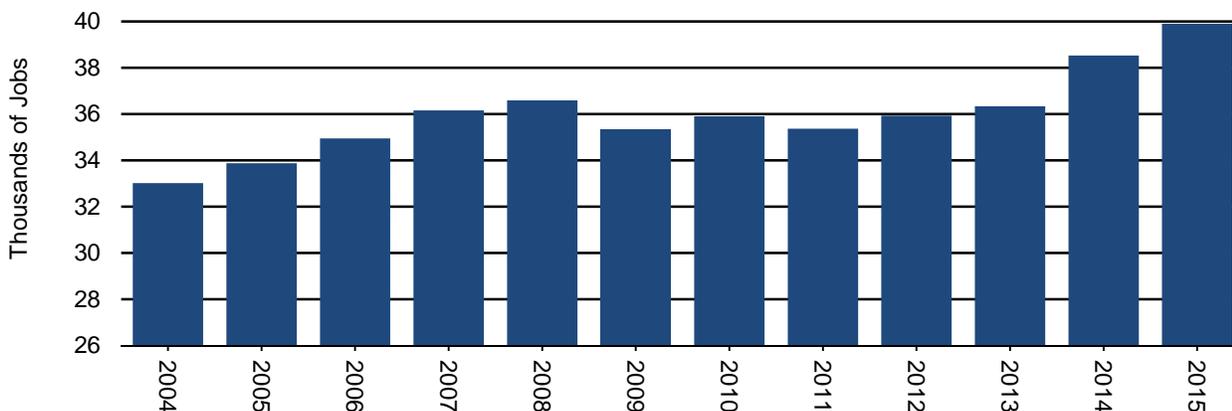
Across from Industry City is Liberty View Industrial Plaza, a former naval depot built in the 1920s. The privately owned 1.3-million-square-foot facility, which has undergone a \$100 million renovation, features large floor spaces for retail and manufacturing. Major tenants include Amazon, Bed Bath & Beyond, and Manufacture New York's fashion firm incubator.

Record Job Growth

Private sector employment in the Greater Sunset Park area reached a record level of 39,920 jobs in 2015 (see Figure 2). Since 2004, employment in the area has increased by a net of 6,900 jobs, a gain of 21 percent.

Job growth was strong between 2004 and 2008, but employment fell in 2009 because of the recession and did not resume growing on a consistent basis until 2012. In 2014, job growth

FIGURE 2
Private Sector Employment in the Greater Sunset Park Area

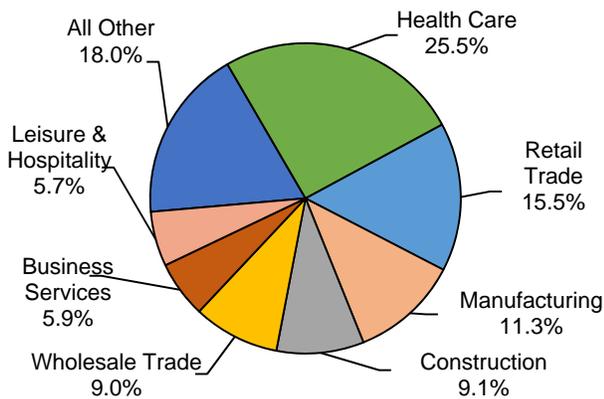


Sources: NYS Department of Labor; OSC analysis

accelerated sharply, and it continued to grow at a brisk pace in 2015. Over the two-year period, employment increased by 9.9 percent, much faster than the citywide rate (7.2 percent).

The health care sector is the largest employer (with 10,170 jobs), accounting for one-quarter of the jobs in 2015 (see Figure 3). The sector includes a large medical center as well as medical offices and home health care firms. Recent job growth has mainly occurred in home health care services and doctor's offices.

FIGURE 3
Distribution of Private Sector Jobs in 2015



Sources: NYS Department of Labor; OSC analysis

Retail trade is the Greater Sunset Park area's second-largest sector. It includes everything from small shops to big-box stores. Along with traditional retail corridors, new retail space has been developed along the waterfront. Small retail shops, however, have come under pressure from rising rent and competition from big-box stores.

Retail trade accounted for 6,180 jobs or 15.5 percent of the jobs in the area in 2015, a higher share than citywide (9.8 percent). This sector added 1,860 jobs since 2009, accounting for 41 percent of the job gains during that period.

The number of manufacturing jobs in the area declined by 52 percent between 2000 and 2012, a similar rate of decline as in the City overall. Since then, the number of manufacturing jobs has slowly increased.

In 2015, there were 4,500 manufacturing jobs, accounting for 11.3 percent of all private sector jobs. (The broader manufacturing and industrial sector accounted for twice as many jobs.) This was the highest concentration of manufacturing jobs of any neighborhood in New York City. Apparel and food manufacturing accounted for more than half of the jobs.

With the area's extensive industrial and warehouse properties, the wholesale trade sector has developed a strong presence. Wholesale trade accounted for 1 in 11 jobs (3,610 jobs in 2015), a higher share than citywide (3.8 percent).

The construction sector provided 3,620 jobs, or 9.1 percent of area jobs—more than double the citywide share. This sector added 980 jobs since 2011, an increase of 37 percent.

Although the leisure and hospitality sector accounted for only 5.7 percent (2,260) of the jobs in 2015, it accounted for nearly one-fifth of the jobs added since the end of the recession as new restaurants and hotels have opened. Since 2010, several hotels have been built. Sunset Park now has the Hotel BPM Brooklyn, the Wyndham Garden, and hotels operated by corporations such as Red Carpet Inn, Comfort Inn and Days Inn.

Business services, which accounted for 5.9 percent of the jobs in the area, had solid job growth in 2014 and 2015, (increasing by more than 11 percent over the two-year period) after losing jobs during the previous three years.

Financial activities, which accounted for 4.9 percent of the jobs, declined by almost 42 percent between 2008 and 2013, but the sector had regained one-third of the jobs by 2015.

Wages and Salaries

Total wages for all private sector jobs in the Greater Sunset Park area grew by 67 percent between 2004 and 2015 to \$1.9 billion, a faster growth rate than in Brooklyn overall (64 percent).

The average salary was \$46,460 in 2015, higher than the average salary for all private sector jobs in Brooklyn (\$41,180). The relatively high average salary reflects the presence of large numbers of well-paying health care and construction jobs, which together accounted for one-third of all private sector jobs. The average salary grew by 38 percent between 2004 and 2015, nearly twice as fast as the growth in the average salary for all of Brooklyn.

Resident Work Force

According to the U.S. Census Bureau, 75,293 area residents were employed in 2014, which is twice the number of jobs that were located in the area. Nearly half of the area's employed residents worked in Brooklyn, while 37 percent commuted to jobs in Manhattan and 10 percent worked outside of New York City.

The U.S. Census Bureau estimates that the unemployment rate of area residents (6.5 percent) was two percentage points lower than the rate for all of Brooklyn. The unemployment rate for area residents in 2014 was half its recessionary peak, and was approaching its prerecession level (5.4 percent).

Area residents work in a wide range of occupations (see Figure 4). While occupations in restaurants and stores are the most common, there are also significant numbers of residents working as business professionals, teachers, construction workers and health care providers. More area residents work in manufacturing jobs than in any other Census-defined neighborhood in the City.

The median household income was \$48,050 in 2014, slightly higher than in Brooklyn overall (\$47,970). Since 2009, the median household income in the area increased twice as fast as in Brooklyn overall. Nevertheless, a larger share of households (26 percent) had incomes below the federal poverty level than in Brooklyn overall (22 percent).

FIGURE 4
Occupations of Sunset Park Residents

Occupations	Employed Residents	Share of Total Employed
Chefs, Cooks, Servers and Other Restaurant Workers	12,984	17.2%
Retail Sales Workers and Sales Representatives	7,171	9.5%
Accountants, Computer Analysts, Lawyers and Other Professionals	7,001	9.3%
Administrative Assistants, Clerks and Other Office Workers	6,631	8.8%
Manufacturing Workers (e.g., Machine Operators and Assemblers)	4,970	6.6%
Teachers, Teaching Assistants and Administrators	4,543	6.0%
Housekeepers, Janitors and Other Maintenance Workers	4,300	5.7%
Home Health Care Aides and Medical Assistants	4,212	5.6%
Construction Workers	4,136	5.5%
Personal and Child Care Service Workers	3,540	4.7%
Creative Professionals (e.g., Producers, Editors and Designers)	2,608	3.5%
Taxi Drivers, Truck Drivers, Bus Drivers, etc.	2,377	3.2%
Doctors, Nurses and Other Medical Professionals	2,314	3.1%
Counselors, Social Workers and Community Service Managers	1,847	2.5%
Police Officers, Firefighters and Security Guards	1,715	2.3%
All Other	4,944	6.6%
Total Employed Residents	75,293	100%

Sources: U.S. Census Bureau; OSC analysis

The High Cost of Housing

According to the U.S. Census Bureau, there were 44,590 housing units in the Greater Sunset Park area in 2014. Nearly three-quarters were rental units and the remainder were owner-occupied.

Half (49 percent) of the rental units were rent-controlled or rent-stabilized. A larger share (51 percent) of the rental units were market-rate than in Brooklyn overall (41 percent).

Housing affordability is a major problem in the area, as it is in many parts of the City. Rents have grown faster than household incomes, making housing less affordable. The median monthly rent rose from \$750 in 2002 to \$1,225 in 2014 (see Figure 5), an increase of 63 percent. Median household income increased by only 25 percent during this period.

In 2014, more than half (52 percent) of area residents devoted more than 30 percent of their household income to rent (the level at which rent is considered a burden), up from 40 percent of residents in 2002. More than one-quarter of area residents (27 percent) faced a severe rent burden, devoting more than half of their household income to rent.

As previously noted, more than one-quarter of area households live in owner-occupied homes. Home values have more than tripled since 2002, making it increasingly difficult for area residents to purchase homes.

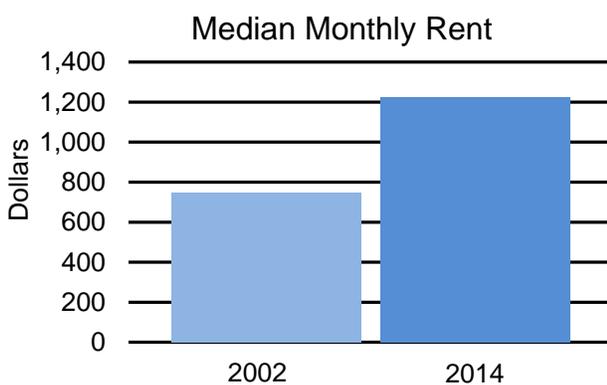
The median value of an owner-occupied home in the area (including one-, two- and three-family homes, co-ops and condominiums) was \$800,000 in 2014, up from \$250,000 in 2002 (see Figure 5). In Brooklyn as a whole, the median home value doubled to \$550,000 during the same period.

Given the high cost of housing, overcrowding is prevalent. In 2014, one-fifth of area households lived in apartments with more than one person per room, compared to 11.3 percent of households in Brooklyn and 9.9 percent citywide. In fact, there have been numerous complaints about illegal conversions in the area.

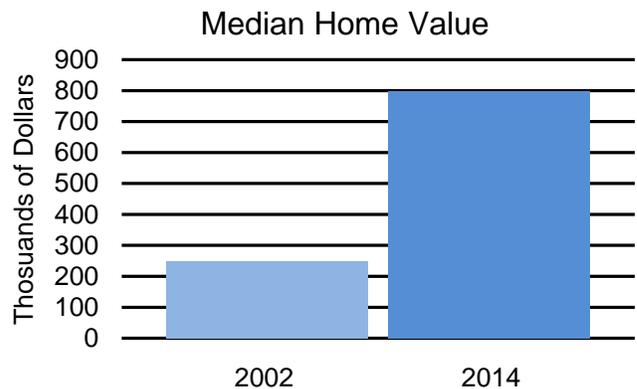
A Safer Neighborhood

Serious crime in the Greater Sunset Park area fell by 34 percent between 2004 and 2015, faster than the citywide decline (26 percent). The large reduction in crime has helped attract new residents, which has contributed to the increase in housing costs. Despite the improvement, the community remains concerned about crime, including misdemeanors that affect the quality of life.

FIGURE 5
Rising Housing Costs



Sources: U.S. Census Bureau; OSC analysis



Public Schools

Enrollment in the area's elementary and middle schools has grown by 55 percent between the 2000-2001 school year and the 2015-2016 school year. Although a number of new schools have opened in recent years, more than 80 percent of the elementary schools and 20 percent of the middle schools were overcrowded as of the 2014-2015 school year (the latest year for which data are available).

In 2015, a higher share of students showed proficiency in math and English than in Brooklyn and in the City overall. In addition, the area has one of the best schools in New York City, the Beacon School of Excellence (P.S. 172).

Economic Development

Sunset Park is located within the New York City Economic Development Corporation's Southwest Brooklyn Industrial Business Zone. The zone provides firms with economic incentives for relocation to the area, including business income tax credits of up to \$3,000 per employee, property tax abatements and reduced energy costs.

The Southwest Brooklyn Industrial Development Corporation (SBIDC) provides a range of services to support area businesses, including a work force development program. The SBIDC also helps connect businesses to financing programs and economic development incentives. The Sunset Park Business Improvement District targets support services to small businesses.

In November 2015, the City released a plan to invest in the long-term development of the City's industrial and manufacturing sector. The plan calls for investing \$442 million over 10 years in

City-owned manufacturing facilities (including \$115 million to develop 500,000 square feet of space at the Brooklyn Army Terminal) to protect these areas from non-industrial redevelopment. The plan also includes \$37 million in infrastructure investments for Sunset Park.

The City is seeking one or more companies to operate the long-inactive Brooklyn Marine Terminal. The City intends to reactivate the terminal as a maritime facility for cargo ships and barges. Since 2011, more than \$115 million has been invested in dredging and infrastructure improvements. The project is supported by Representatives Velazquez and Nadler, and Councilman Menchaca.

The First Avenue rail line and the 65th Street rail yard are important to the area's continued economic development. The rail yard connects New York City to the national freight rail network in New Jersey. Freight cars coming from or bound to Brooklyn, Queens and Long Island are floated across the harbor on barges, thereby reducing truck traffic.

Mayor de Blasio has proposed constructing a 16-mile-long streetcar route along the Brooklyn-Queens waterfront running from Astoria to Sunset Park, at a cost of \$2.5 billion. Many of the areas along this route are currently underserved by public transportation.

The Mayor also announced that a new ferry service would begin in 2017 and be fully operational by the following year. The service, priced at the cost of a subway ride, will operate from 21 landings across the City, including one at the Brooklyn Army Terminal.

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