CITY PLANNING COMMISSION

June 7, 2017/Calendar No. 10 C 170187 ZMM

IN THE MATTER OF an application submitted by NYC Department of City Planning pursuant to Section 197-c and 201 of the New York City Charter for the amendment of the Zoning Map, Section No. 8d:

1. changing from a C5-2 District to a C5-3 District property bounded by East 43rd Street, Second Avenue, East Forty-Second Street, and a line 200 feet easterly of the Third Avenue; and

2. establishing a Special Midtown District (MiD) bounded by East 43rd Street, Second Avenue, East Forty-Second Street, and a line 200 feet easterly of the Third Avenue;

Borough of the Manhattan, Community District 6, as shown on a diagram (for illustrative purposes only) dated January 3, 2017.

This application (C 170187 ZMM) for an amendment to the Zoning Map was filed by the Department of City Planning on December 29, 2016. The zoning map amendment, along with the related text amendment (N 170186(A) ZRM), is intended to protect and strengthen the East Midtown business district in Manhattan's Community District 5 and 6.

RELATED ACTIONS

In addition to the zoning map amendment which is the subject of this report (C 170187 ZMM), implementation of the proposal requires action by the City Planning Commission on the following application which is being considered concurrently with this application:

N 170186(A) ZRM Zoning Text Amendment concerning Article XIII, Chapter 1 (Special Midtown District)

BACKGROUND

A full background discussion and project description appears in the report on the related zoning text amendment application (N 170186(A) ZRM).

ENVIRONMENTAL REVIEW

The application (C 170187 ZMM), in conjunction with the original and modified applications for the related action (N 170186 ZRM, N 170186(A) ZRM) was reviewed pursuant to the New York State Environmental Quality Review Act (SEQRA), and the SEQRA regulations set forth in Volume 6 of the New York Code of Rules and Regulations, Section 617.00 et seq. and the New York City Environmental Quality Review (CEQR) Rules of Procedure of 1991 and Executive Order No. 91 of 1977. The designated CEQR number is 17DCP001M. The lead agency is the City Planning Commission.

A summary of the environmental review appears in the report on the related application for a zoning text amendment (N 170186(A) ZRM).

UNIFORM LAND USE REVIEW

This application (C 170187 ZMM) was certified as complete by the Department of City Planning on January 3, 2017, and was duly referred to Community Board 6 and the Manhattan Borough President, in accordance with Title 62 of the Rules of the City of New York, Section 2-02(b) along with the related zoning text amendments (N 170186 ZRM and N 170186(A) ZRM), which were referred for information and review in accordance with the procedures for non-ULURP matters.

Community Board Recommendation

Community Board 6 held a public hearing on the application and the related action on February 1, 2017. On March 13, 2017, Community Board 6 passed a resolution with 39 in favor, 0 opposed, and 1 abstaining that recommended denial of the application with conditions.

A summary of the recommendations of the Community Board appears in the report on the related zoning text amendment application (N 170186(A) ZRM).

Borough President Recommendation

The application (C 170187 ZMM) and related action (N 170186 ZRM and N 170186(A) ZRM) were considered by the Borough President who issued a recommendation on April 12, 2017 for approval with conditions.

A summary of the recommendations of the Borough President appears in the report on the related zoning text amendment application (N 170186(A) ZRM).

City Planning Commission Public Hearing

On April 5, 2017 (Calendar No. 5), the City Planning Commission scheduled April 26, 2017 for a public hearing on this application (C 170187 ZMM) and the related applications (N 170186 ZRM and N 170186(A) ZRM). The hearing was duly held on April 26, 2017 (Calendar No. 28), in conjunction with the public hearing on the applications for the related actions.

There were a number of speakers, as described in the report on the related zoning text amendment application (N 170186(A) ZRM), and the hearing was closed.

CONSIDERATION

The Commission believes that the zoning map amendment (C 170187 ZMM), along with the related zoning text amendment (N 170186(A) ZRM), as modified, is appropriate.

A full consideration and discussion of the issues appears in the report on the related zoning text amendment application (N 170186(A) ZRM).

RESOLUTION

RESOLVED, that having considered the Final Environmental Impact Statement (FEIS), for which a Notice of Completion was issued on May 26, 2017, with respect to this application (CEQR No. 17DCP001M), and Technical Memorandum 002, dated June 2, 2017, the City Planning Commission finds that the requirements of the New York State Environmental Quality Review Act and Regulations have been met and that:

1. Consistent with social, economic and other essential considerations from among the reasonable alternatives available, thereto, the Amended Application alternative, as modified with the modifications adopted for the related zoning text amendment application (N 1702186(A) ZRM) and as analyzed in Chapter 25, "Amended Application Analysis," of the FEIS and in the Technical Memorandum 002 is one which avoids or minimizes adverse environmental impacts to the maximum extent practicable; and

2. The adverse environmental impacts identified in the FEIS will be minimized or avoided to the maximum extent practicable by the placement of (E) designations for Hazardous Materials, Air Quality, and Noise, which form part of the action.

The report of the City Planning Commission, together with the FEIS and Technical Memorandum 002, constitutes the written statement of facts, and of social, economic and other factors and standards, that form the basis of the decision, pursuant to Section 617.11(d) of the SEQRA regulations; and be it further

RESOLVED, by the City Planning Commission pursuant to Sections 197-c and 200 of the New York City Charter, that based on the environmental determination and the consideration described in this report, the Zoning Resolution of the City of New York, effective as of December 15, 1961, and subsequently amended, is further amended by changing the Zoning Map, Section 8d:

1. Changing from a C5-2 District to a C5-3 District property bounded by East 43rd Street, Second Avenue, East 42nd Street, a line 200 feet easterly of Third Avenue; and

2. Establishing a Special Midtown District (MiD) bounded by East 43rd Street, Second Avenue, East 42nd Street, and a line 200 feet easterly of Third Avenue.

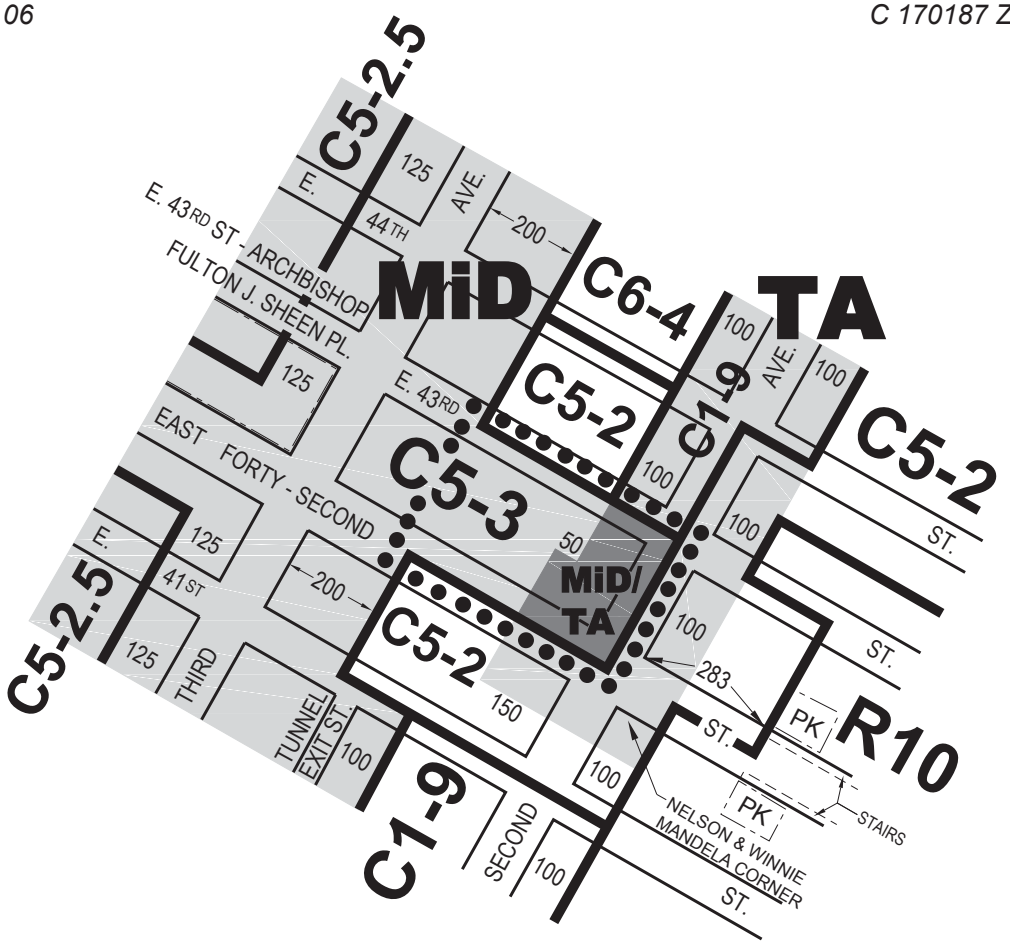
Borough of Manhattan, Community District 6, as shown in a diagram (for illustrative purposes only) dated January 3, 2017, and subject to the conditions of CEQR Declaration E-408.

The above resolution (C 170187 ZMM), duly adopted by the City Planning Commission on June 7, 2017 (Calendar No. 10), is filed with the Office of the Speaker, City Council, and the Borough President in accordance with the requirements of Section 197-d of the New York City Charter.

MARISA LAGO, *Chair*
KENNETH J. KNUCKLES, Esq., *Vice Chair*
RAYANN BESSER, MICHELLE DE LA UZ, JOSEPH DOUEK, RICHARD W. EADDY, CHERYL COHEN EFFRON, HOPE KNIGHT, ANNA HAYES LEVIN, ORLANDO MARIN, LARISA ORTIZ, *Commissioners*

ALFRED C. CERULLO, III, *Commissioner, Recused*

C.D. 06 C 170187 ZMM



CITY PLANNING COMMISSION

CITY OF NEW YORK

DIAGRAM SHOWING PROPOSED

ZONING CHANGE

ON SECTIONAL MAP

8d

BOROUGH OF

MANHATTAN

New York, Certification Date
JANUARY 03, 2017

S. Lenard, Director
Technical Review Division

SCALE IN FEET

300 0 300

NOTE:

Indicates Zoning District Boundary.

● ● ● ● The area enclosed by the dotted line is proposed to be rezoned by changing a C5-2 District to a C5-3 District and establishing a Special Midtown District within a proposed C5-3 District.

MiD Indicates a Special Midtown District.

TA Indicates a Special Transit Land Use District.

NOTE: THIS DIAGRAM IS FOR ILLUSTRATIVE PURPOSES ONLY.

THE CITY OF NEW YORK
MANHATTAN COMMUNITY BOARD SIX
PO BOX 1672
NEW YORK, NY 10159-1672

March 10, 2017

Marisa Lago
Chair
City Planning Commission
120 Broadway, 31st Floor
New York, NY 10271

Hon. Gale A. Brewer
Manhattan Borough President
1 Centre Street, 19th Floor South
New York, NY 10007

RE: DCP applications N170186 ZRM and 170187 ZMM - Proposal for Greater East Midtown Rezoning - CORRECTED

Dear Chair Lago and Borough President Brewer:

At the March 8, 2017 Full Board meeting of Manhattan Community Board Six, the Board adopted the following resolution:

Whereas, the New York City Department of City Planning (DCP) has completed a DEIS as part of the Uniform Land Use Review Procedure certification (Applications N 170187 ZMM & C 170186 ZRM) for Greater East Midtown; and

Whereas, Manhattan Community Board Six has participated in the process as a member of the East Midtown Steering Committee, by holding public hearings and engaging an urban planner, among other avenues; and

Whereas, the East Midtown Steering Committee recommended several public benefits for East Midtown to counterbalance the effects of new, denser development:

- Improvement of the public realm, including the better use of streets and the provision of more and better on-site open space,
- Improvement of subway stations serving East Midtown, including ADA compliance,
- Designation of additional landmarks and the more liberal transfer of air rights from landmarks; and

Whereas, there remain many unresolved issues in a number of major categories (open space, MTA improvements, internal and external boundaries, above ground public realm enhancements, and impacts of air and light reductions), which this resolution seeks to highlight and present those solutions preferred by the community; and

Whereas, instead of treating on-site public open space, subway station improvements, and transfers of air rights equally the City's proposed zoning text places on-site public open space as the lowest priority in three key ways:

- Requiring that a development site use subway station bonus floor area and transferred air rights before applying for a special permit for on-site public open space, and
- Requiring a special permit for public concourses; while subway station improvements and air rights transfers can be as-of-right by certification; and
- Removing the as-of-right plaza bonus on qualifying sites; and

Whereas, as a result of these constraints, the Draft EIS for East Midtown predicts that only two of the 16 projected development sites will apply for a special permit for a "public concourse"; and

Whereas, the Draft EIS for East Midtown finds "the Proposed Action would result in a significant adverse impact on open space due to reduced total and passive open space ratios", and given the great and increasing need for public open space in East Midtown and the extreme challenges of developing new open space; and

Whereas, the creation of pedestrian circulation maps illustrating the specifics of above-ground open space improvements—such as plazas, other privately-owned public spaces (POPS) and shared streets or other thoroughfare improvements—would provide predictability for developers, the MTA, the city and the public and, critically, a better ability to value such improvements; and

Whereas, the proposed zoning mechanism to determine and prioritize transit and public realm improvements is based on a "Priority Improvement List for Qualifying Sites," which would be managed and updated by a nine-member governing group, including representation from the Community Board; and

Whereas, the MTA has already identified 24 improvements at six subway stations serving East Midtown, none of which are included in the current MTA capital plan, and these improvements provide benefits outside the East Midtown Subdistrict, and in fact promote as well as theoretically alleviate overcrowding; and

Whereas, these transit improvements rely upon public funding for maintenance, repair and replacement; and

Whereas, East Midtown was up-zoned in the 1961 Zoning Resolution in major part predicated on the Second Avenue Subway replacing the demolished Second and Third Avenue Els; and

Whereas, the MTA & NYC DOT developed a concept plan for public realm improvements ranging from public plazas to bus bulb-outs; and

Whereas, above-ground public realm improvements may never materialize without a clearly defined mechanism or minimum contribution rate to ensure that public realm improvements are created; and

Whereas, East Midtown Steering Committee recommendations, decades of DCP and CPC zoning policy direction, and accepted urban planning design principles all concur that midblocks that front narrow streets should have lower FAR and street walls, thus protecting the scale and character of the area, as well as light and air; and

Whereas, the proposed zoning text for "qualifying sites" in East Midtown allows greater amounts of FAR to be transferred from landmark buildings to sites in the lower density midblock districts than to the higher density wide street and avenue districts, and removes the incentive for lower street walls on narrow streets; and

Whereas, the DEIS for East Midtown does not specifically address the impacts of such higher FARs and street walls on midblock sites, and

Whereas, the proposed East Midtown Subdistrict is drawn to include the east side of Third Avenue north of 47th Street, and would allow commercial buildings of up to 26 FAR to directly abut on an FAR R8B district; and

Whereas, it appears that the Department of City Planning is rezoning specific areas based on buildings already identified for redevelopment and not giving due consideration to residents' reasonable concerns about access to air and light and the quality-of-life problems concomitant with large construction projects; and

Whereas, the DEIS for East Midtown shows that 116 of 119 intersections studied will experience significant adverse impacts, demonstrating the unprecedented levels of traffic and congestion the rezoning will bring, even to areas outside the proposed East Midtown Subdistrict; and

Whereas, neighborhood residents' concerns that including the east side of Third Avenue in the East Midtown Subdistrict will turn the Turtle Bay neighborhood into a commercial district have not been given the same consideration as commercial real estate interests; and

Whereas, currently existing public spaces and parks must be protected from shadows and adverse conditions that new buildings and structures may pose; and

Whereas, the East Midtown Steering Committee recommended the existing height and setback regulations for the Special Midtown District be retained in East Midtown to protect light and air from being blocked by the larger new buildings that the zoning would encourage, and

Whereas, the City's proposed zoning text would substantially change the existing height and setback rules for "qualifying sites" in East Midtown by:

- Decreasing the passing score for Daylight Evaluation from 75 to 66,
- Not counting daylight blockage below 150 feet above street level, even on narrow streets in Daylight Evaluation,

- Eliminating the penalty for blockage on the street side of the profile line in Daylight Evaluation, and

Whereas, One Vanderbilt scored negative 62.10 under the existing Daylight Evaluation rules and would score positive 20.45 under the proposed changes – a large difference, and

Whereas, the Draft EIS for East Midtown neither discloses nor discusses the proposed changes to the scoring system for Daylight Evaluation, and

Whereas, diminishing light and air in streets and other public spaces, narrowing views along streets, and reducing the space between buildings, constraining their light, air, and views is inconsistent with the stated goal of maintaining East Midtown as a premier business address; and

Whereas, the DEIS does not adequately address sustainability concerns; and

Whereas, the existing Midtown Special District has provisions to preserve daylight reaching the street, benefiting the community's few open spaces available for the public's health and enjoyment, in spaces such as Greenacre Park and other parks that would be undermined by shadow, but those provisions are weakened by the proposed East Midtown Subdistrict;

Therefore be it

Resolved, because of the desperate need for public open space in East Midtown that is not cast in excessive shadow through most of the year, Manhattan Community Board Six, objects to the proposed Greater East Midtown Rezoning unless the following stipulations are addressed; and be it further

Resolved, that DCP provide design guidance making plazas, covered pedestrian spaces, and other POPS as-of-right by certification and require that the first additional FAR earned by any site be for on-site public open space, including on-site transit access improvements; and be it further

Resolved, that DCP should require the publication of pedestrian circulation maps which illustrate the specific and demonstrable public value of open space that would provide FAR benefits to the developer; and be it further

Resolved, that in planning transit improvements, a high priority should be given to both focusing on improvements that will benefit the Greater East Midtown Subdistrict while consideration of the multimodal use of both above and below ground transit and public space and relieving the existing overcrowding and connections with the #7 subway line and the future Second Avenue Subway; and be it further

Resolved, that Manhattan Community Board Six strongly recommends that the proposed zoning text for East Midtown be modified to protect the midblocks of narrow streets by limiting the floor area that may be added to the midblock districts, and maintaining the incentives of the current height and setback rules for lower street walls on narrow streets; and be it further

Resolved, that Manhattan Community Board Six maintains that the boundary of the East Midtown Subdistrict be moved to the center of Third Avenue from 43rd Street to 56th Street; and be it further

Resolved, the increase of the FAR on the Pfizer site from C5-2 (10 FAR) to C5-3 (15 FAR) should require the owner to contribute to public realm improvements just as any other owner of an overbuilt building would be required to do; and be it further

Resolved, that the maintenance, repair, and replacement (MR&R) of public transit improvements be associated with FAR such that the occupancy of the bonused space be contingent on a Certificate of Occupancy, enforced by a tax lien, or ensured by such other enforcement mechanism that requires the recipient of the FAR to pay for the MR&R of the associated transit improvement; and be it further

Resolved, that CB6 endorses high-performance building and sustainability goals as outlined in the East Midtown Steering Committee report; and be it further

Resolved, that Manhattan Community Board Six, because light and air are essential to the continued attractiveness of East Midtown, strongly recommends that the proposed zoning text for the East Midtown Subdistrict be modified to retain the existing height and setback regulations of the Special Midtown District; and be it further

Resolved, the words "objects to" and "unless" in the first resolved clause shall be interpreted as "approves" and "conditional upon" respectively if, on or before March 13th, 2017, the New York City Mayor's Office or the New York City Department of City Planning communicates the following to Manhattan Community Boards Five and Six in writing: The EIS will consider an alternative that requires redeveloped sites to include either outdoor plaza space or a covered pedestrian space.

VOTE: 43 in Favor 0 Opposed 0 Abstention 0 Not Entitled

Yours truly,

Jesús Pérez
District Manager

CC: Manhattan Borough Board
Hon. Dan Garodnick, New York City Council
Hon. Ben Kallos, New York City Council
Hon. Rosie Mendez, New York City Council
Bob Tuttle, Department of City Planning
Luis Sanchez, Department of Transportation
Sandro Sherrod, Manhattan Community Board Six

CORRECTED ON: APRIL 5, 2017

Resolution

of the MANHATTAN BOROUGH BOARD

WHEREAS, the Department of City Planning (DCP) seeks a text amendment to the Zoning Resolution (N 170186 ZRM and C 170187 ZMM) and a zoning map amendment to establish the East Midtown Subdistrict ("Subdistrict") in Manhattan Community Boards 5 and 6, and ensure that the area continues as a world class central business district; and

WHEREAS, the proposed text amendment establishing the Subdistrict would cover an approximately 78 block area bounded generally by East 39th Street to the south, the east side of Third Avenue to the East, East 57th Street to the north and the west side of Madison Avenue to the west; and

WHEREAS, the proposed text amendment seeks to balance the need for additional commercial density to facilitate the development of new office space with the preservation of landmark buildings and the provision of much needed transit and other above-ground public realm improvements; and

WHEREAS, to accomplish this, the proposed text amendment would provide for increased floor area ratios (FARs) in the Subdistrict of between 18 and 27 which could be achieved as of right, but only through the provision of specific transit improvements set forth in the application; through the purchase of development rights from landmark buildings which would be able to sell those rights district-wide; or through the rebuilding of over-built buildings; and

WHEREAS, the maximum allowable FARs would be based on locational factors with the highest allowable densities achievable in the area immediately surrounding Grand Central Terminal, and proximity to other transit nodes and frontage on avenues and wide streets making higher densities achievable; and

WHEREAS, to ensure non-transit related public realm improvements, the proposed text amendment provides that (1) in the case of development right transfers from landmark buildings the greater of 20 percent of the sale price or a minimum established contribution per square foot (the "floor price"), be contributed to a Public Realm Improvement Fund; and (2) in the case of the rebuilding of an overbuilt building an amount equal to the number of square feet to be rebuilt that exceeds the maximum allowable square footage times the floor price per square foot be contributed to the Public Realm Improvement Fund; and

WHEREAS, the application also seeks a zoning map change to include the lots currently comprising Pfizer's corporate headquarters into the Subdistrict by rezoning the area bounded to the north by East 43rd

Street, to the west by a line 200 feet easterly of Third Avenue, to the South by East 42nd Street and to the east by Second Avenue from a C5-2 district (10 FAR) to a C5-3 district (15 FAR) and incorporating it into both the Special Midtown and new East Midtown Subdistricts; and

WHERAS, the application is based, to a large extent, on the work done by the East Midtown Steering Committee, chaired by Borough President Brewer and Council Member Garodnick with representatives of Community Boards 5 and 6, property owners, landmark groups and unions, which met almost 20 times over the course of almost a year and heard from experts and had input from all the relevant agencies; and

WHEREAS, the steering committee recommended that in order to best balance the needs for additional commercial density with the preservation of the district's iconic landmarks and the need for improved public transit and above-ground public realm, any final proposal should provide for a largely as of right system in which: (1) additional commercial FAR is permitted based upon frontage on avenues or wide streets, proximity to transit hubs and adjacency to major landmarks; (2) that the additional FAR be "earned" through a combination of enumerated below-ground subway improvements and the purchase of landmark development rights; (3) that landmarks be able to transfer development rights district wide; (4) that overbuilt buildings be permitted to rebuild to their existing FAR; (5) that in return for district-wide transfer of development rights for landmarks and the ability of over-built buildings to rebuild, significant contributions be required into a Public Realm Improvement Fund to ensure the creation of above ground public realm improvements; and

WHEREAS, on March 8, 2017 Manhattan Community Board 6 (CB6) voted by a vote of 43 in the affirmative, none in the negative no abstentions to approve a resolution recommending denial of the application unless certain conditions were met including the following: (1) that DCP make plazas, covered pedestrian spaces and other privately owned public spaces as of right; (2) that transit improvements be prioritized to favor those that benefit the Greater East Midtown Subdistrict; (3) that the text be modified to limit additional height on the midblocks of narrow streets; (4) that the eastern boundary of the Subdistrict be moved to the center of Third Avenue from 43rd Street to 56th Street; (5) that the current height and setback regulations be maintained to preserve light and air; and (6) that the rezoning of the site of the Pfizer headquarters trigger a payment into the Public Realm Improvement Fund based upon the additional increase in density (from 10 FAR to 15 FAR); and

WHEREAS, on March 9, 2017 Manhattan Community Board 5 (CB5) voted by a vote of 32 in the affirmative, none in the negative and one abstention to approve a resolution recommending denial of the application unless certain conditions were met including the following: (1) there is a creation of new public space on every redeveloped site that takes advantage of the Greater East Midtown's transfer of development rights framework; (2) Actions by the Governing Group which will determine public realm improvements require at least one non-Mayoral appointee to ensure some level of consensus; (3) The percentage of the value of the transferred development rights to be deposited into the Public Realm Improvement Fund be increased to 30 percent and a minimum contribution price be maintained; (4) The City funds some of the Department of Transportation-identified public realm improvements prior to the adoption of the proposed zoning text; and (5) a prohibition on conversion of more than 12 FAR to residential use be included and a special permit be required for all other residential conversions; and

WHEREAS, both the CB5 and the CB6 Resolutions concluded that the conditional denials were to be interpreted as conditional approvals if, on or before March 13, 2017, the Administration communicates in writing that "The EIS will consider an alternative that requires redeveloped sites to include either outdoor

plaza space or a covered pedestrian space;" underscoring the importance to the communities of a more definitive commitment by the City to non-transit, above-ground public realm improvements; and

WHEREAS, the East Midtown Steering Committee recognized both the importance and difficulty of ensuring non-transit related public realm improvements and stated its commitment to making sure public realm projects were sufficiently identified and that the process for implementing these projects was set forth sufficiently in advance, so that this component of the plan would not be in doubt; and

WHEREAS, Borough President Brewer and Council Member Garodnick wrote the Deputy Mayor on February 24, 2017 requesting that a public realm project be piloted in the upcoming fiscal year and requesting that some type of as of right mechanism for public plazas or covered pedestrian spaces be studied in the Environmental Impact Statement; and

WHEREAS, The Department of City Planning has committed to study in the Environmental Impact Statement a requirement for the creation of privately owned public spaces subject to criteria decided by DCP, which criteria include that the lot size be a minimum of 40,000 square feet and which would result in the site earning one FAR for the creation of an outdoor public space and three FAR for the creation of an indoor public space; and

WHEREAS, the East Midtown Steering Committee struggled and failed to come to a consensus on the eastern boundary of the proposed Subdistrict and recommended that more outreach with the business community and Manhattan Community Board 6 occur before a decision was made whether to include the east side of Third Avenue between East 48th Street and midway between East 54th and East 55th Streets in the proposed Subdistrict; and

WHEREAS, the Borough Board recognizes that this eastern boundary is contentious and that of the 20 speakers at its public hearing, half spoke on the inclusion or exclusion of Third Avenue from the Subdistrict and believes that the Department of City Planning should take the remaining time to work with the community and review every option to limit any adverse impacts on the more residential neighborhoods to the east;

WHEREAS, there appears to be significant support from the community and stakeholders that in order to maintain the commercial character of East Midtown, that restrictions on residential conversions be implemented as part of the text amendment; and

WHEREAS, the East Midtown Steering Committee agreed that a payment equal to at least 20 percent of the value of transferred development rights from landmark buildings should be paid into a Public Realm Improvement Fund and that in order to ensure that the public receive an amount sufficient to address the neighborhood's public realm concerns there be a Floor Price paid into such fund; but we recognize that in addition to a mechanism that allows those involved in potential transactions to question and reassess the minimum contribution, additional information is also needed to ensure that the minimum contribution amount is determined in a manner that does not overstate the value of the development rights; and

WHEREAS, there is also substantial community concern over the adverse impacts that shadows from new buildings and structures may pose, especially on existing public open spaces such as Central Park and Greenacre Park; and

WHEREAS, the East Midtown Steering Committee aimed toward building standards that go beyond current code requirements to make this business district a truly 21st Century commercial district; now

THEREFORE, the Manhattan Borough Board recommends approval of ULURP numbers N 170186 ZRM and C 170187 ZMM only if the following conditions are met:

(1) In addition to the commitment to study in the EIS criteria for a requirement for the creation of outdoor and indoor privately owned public spaces that DCP has agreed to undertake, the City commits to undertake above-grade public realm pilot projects and provide seed money for the Public Realm Improvement Fund in the upcoming budget so that other such projects can begin and to underscore the City's commitment to the above- grade public realm;

(2) That changes be made to the limitations on uses of the Public Realm Improvement Fund to ensure that above-grade public realm improvements are further prioritized;

(3) That Department of City Planning and the Department of Transportation work with the relevant Borough Board members to adequately define the "Concept Plan" for above-grade public realm in the zoning text and develop a draft concept plan in a reasonable time frame; and

(4) That DCP work with the relevant Borough Board members on changes to the composition and/or functioning of the governing board in accordance with recommendations of the East Midtown Steering Committee Report to ensure sufficient community participation;

(5) That DCP work with relevant Borough Board members over the next several weeks to review every option for limitations on the east side of Third Avenue – including changes to the eastern border -- with the goal of reducing adverse impacts to residential neighborhoods bordering the eastern side of the Subdistrict;

(6) That serious consideration be given to amending the text to limit residential conversions, including proposals advanced by the Steering Committee and CB5 to prohibit conversion of space to residential in excess of 12 FAR as well as limiting residential conversions on the avenues;

(7) That DCP work with the relevant Borough Board members to ensure that the language on environmental standards in the text is sufficient to support the achievement of the steering committee's goal of achieving an environmental standard of LEED Gold or its equivalent;

(8) That the DCP work with the relevant community stakeholders to explore mechanisms that can prevent or limit incremental shadow impacts, especially on existing parks and open spaces;

(9) That DCP work with the relevant community stakeholders to ensure the accuracy of a floor price and that the floor price does not become an obstacle to the contemplated transfer of development rights; and

(10) That the Department of City Planning work with the affected Community Boards to address their other concerns laid out in their respective resolutions prior to the end of the ULURP period.

Gale A. Brewer

Manhattan Borough President
Chair of the Manhattan Borough Board

March 16, 2017

DEPARTMENT OF CITY PLANNING
CITY OF NEW YORK

MANHATTAN BOROUGH OFFICE

March 16, 2017

Hon. Gale A. Brewer
Manhattan Borough President
1 Centre Street 19th floor
New York, NY 10007

Re: Applications N 170186 ZRM and C 170187 ZMM (Greater East Midtown)

Dear Borough President Brewer,

The plan to re-zone Greater East Midtown is currently at the Borough Board for public review. It creates capacity for new, modern office buildings linked to mechanisms for major transit improvements, public realm investments, and preservation of some of East Midtown's most iconic landmarks. I want to thank you and Councilmember Daniel Garodnick for your joint leadership of the East Midtown Steering Committee, which not only identified planning priorities for this critical area, but also forged a consensus-driven, solution-oriented vision for the future. This proposed 78-block East Midtown sub-district would enable the development of new Class-A commercial towers, solidifying East Midtown as a world-class business district that offers modern amenities and a range of office types. Buildings would be able to achieve higher density provided the developments support enhancements to the area's public realm by providing transit improvements and/or purchasing unused floor area from the district's landmarks. The proposed zoning would provide a predictable framework for the area property owners and the public.

The Department of City Planning understands that you and Council Member Garodnick feel strongly about the need for further study in the East Midtown Environmental Impact Statement (EIS) that will evaluate the impact of a Privately Owned Public Space (POPS) requirement, subject to certain site criteria. The Department has preliminarily determined that such a study is feasible and is committed to including such a study in the EIS.

The Administration looks forward to continuing to work with you on this important re-zoning as it advances through public review.

Sincerely,

Edith Hsu-Chen
Director, Borough of Manhattan

CC: Councilmember Daniel R. Garodnick

Edith Hsu-Chen, Director
Department of City Planning
Manhattan Borough Office
120 Broadway – 31st Floor, New York, N.Y. 10271-0001
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BOROUGH OF MANHATTAN
THE CITY OF NEW YORK

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Gale A. Brewer, Borough President

April 12, 2017

Recommendation on
ULURP Application Nos. N 170186A ZRM and N 170187 ZMM –
Greater East Midtown
by The New York City Department of City Planning

PROPOSED ACTIONS

The New York City Department of City Planning ("DCP") seeks approval of a **text amendment** to modify Section 81 (Special Midtown District) of the Zoning Resolution ("ZR") to establish the East Midtown Subdistrict (the "Subdistrict") within an approximately 78-block area in Manhattan Community District 5 and Manhattan Community District 6. The proposed Subdistrict would supersede the existing Grand Central Subdistrict, and would allow for increased floor area ratios (FARs) between 18.0 and 27.0. The text amendment would also create two new special permits that would enable additional floor area bonuses through the provision of public concourses and transit improvements, one special permit that would allow for new or enlarged hotels, and one City Planning Commission ("CPC") Authorization that would allow for enlargements to make use of the Subdistrict's increased FAR framework.

Additionally, DCP seeks an **amendment to the Zoning Map** pursuant to Section 197-c of the New York City Charter to replace an existing C5-2 district (bounded by East 43rd Street to the north, East 42nd Street to the south, Second Avenue to the east, and a line 200 feet easterly of Third Avenue to the west) with a C5-3 district, and to include it within the proposed East Midtown Subdistrict. The Special Midtown District would also be extended to encompass this proposed C5-3 district.

In evaluating the text amendment, this office must consider if the proposed language meets the underlying premise of the Zoning Resolution of promoting the general health, safety and welfare of the city and whether the developments it will facilitate would be appropriate to the neighborhood. Any changes to the zoning map should be evaluated for consistency and accuracy, and given the land use implications, appropriateness for the growth, improvement and development of the neighborhood and borough.

Goals of the Proposed Actions

The goals of the proposed text amendment and zoning map amendment, as stated by DCP, are to develop a predictable, largely as-of-right framework that:

(1) Protects and strengthens East Midtown as a regional job center and premier central business district by seeding the area with new modern and sustainable office buildings;

(2) Helps preserve and maintain landmarked buildings by permitting their unused development rights to transfer within the Subdistrict's boundary;

(3) Permist overbuilt buildings to retain their non-complying floor area as part of a new development;

(4) Upgrades the area's public realm through improvements that create pedestrian friendly public spaces and that facilitate safer, more pleasant pedestrian circulation within the transit stations and the street network; and

(5) Maintains and enhances key characteristics of the area's built environment such as access to light and air, active retail corridors, and the iconic street wall character in the area surrounding Grand Central Terminal.

DCP anticipates that the enactment of the proposed actions would lead to the development of approximately 16 new buildings, predominantly for office use. These buildings would be located throughout the Subdistrict, but with concentrations along Madison Avenue between East 39th and 46th Streets, and around the Lexington Avenue-51st/53rd Streets subway station. More limited developments are projected along Park Avenue and east of Grand Central Terminal.

DCP anticipates that this construction would utilize all of the unused floor area from the Subdistrict's landmarked sites, and provide for significant improvements to the above- and below-grade public realm. DCP projects building heights to range from 482 to 846 feet, and the newly permitted construction to represent an increase of less than 6.5 percent of the approximately 90 million square feet of total space currently in the Subdistrict.

PROJECT DESCRIPTION

The affected area of the proposed actions is generally bounded by East 57th Street to the north, East 39th Street to the south, a line generally between 150 and 200 feet easterly of Third Avenue and a line 250 feet westerly of Madison Avenue. The broad purposes of the proposed actions are to reinforce the area's status as a premier central business district, support the preservation of landmarked buildings, and provide for public realm improvements.

Background

East Midtown plays an integral role in the economy of the New York metropolitan region. According to DCP, the area between Second and Fifth Avenues and East 39th and East 57th Streets contains more than 60 million square feet of office space, more than a quarter million jobs, and numerous Fortune 500 companies. In addition to its importance as a business center, East Midtown is also world-renowned for its iconic architecture, significant civic spaces, and extensive transportation system, all of which are exemplified by Grand Central Terminal at the

heart of the Subdistrict. Major infrastructure projects underway in the form of East Side Access and the Second Avenue subway will permit new options for commuters to access the region while hopefully alleviating congestion on the Lexington Avenue line.

East Midtown's strengths have historically attracted financial institutions and law firms as office tenants, and the area is home to headquarters for many major corporations drawn by easy access to the Grand Central 42nd Street subway station and the Metro-North Railroad. Since the economic downturn beginning in 2008, the area has also developed a more diverse set of tenants, including non-profits, technology, and media firms.

Challenges Affecting East Midtown

Despite its longtime advantages, the East Midtown area has seen little new office development. According to DCP, only five office buildings have been constructed in East Midtown since 2001, representing a significant drop from preceding decades. Of the almost 60 million square feet of office space currently in the area, less than three percent was constructed within the last two decades.

Meanwhile, the aging building stock is becoming increasingly outdated in relation to tenant needs. Of the approximately 475 buildings in the area, over 300 are more than 50 years old, and the average age of office buildings is approximately 75 years. Most are considered to be Class B or Class C office space, and the older buildings have notably higher vacancy rates and lower rents. Some of the shortcomings in terms of technology and amenities may be ameliorated through renovations, but overcoming major structural challenges such as column placement and low floor-to-floor heights would require complete redevelopment.

DCP is concerned that East Midtown's existing building stock can no longer compete for the occupants who have typified the East Midtown area. Instead, DCP believes that in the long term the outdated office buildings may begin to convert to other uses such as residential buildings and hotels. Given the area's concentration of rail public transit infrastructure and major projects already underway, this outcome does not align with the city's long-term economic goals. Although there have been many other initiatives over the last decade to accommodate new office construction at Hudson Yards, Downtown Brooklyn, Long Island City, and other areas, all of these were predicated on East Midtown remaining a premier center for office jobs.

However, East Midtown faces some particular barriers to office redevelopment. The area is highly built up and contains few remaining soft sites, and of the possible sites that do exist, even fewer would be able to accommodate a major modern office building. Besides site assembly, prospective developers would likely need to vacate existing tenants, who are often on different leases with varying lengths. Perhaps most importantly, the opportunity cost of redevelopment also stands as a significant challenge, as the developer would essentially be demolishing a large, revenue-generating building just to build and lease up a new building of roughly comparable size. The increment between a building's maximum permitted FAR and built FAR is a driving factor in whether redevelopment is feasible; the higher the increment, the more feasible redevelopment becomes. Thus, DCP has identified the permitted density under the existing zoning framework as a major challenge.

Meanwhile, East Midtown's landmarked properties hold approximately 3.5 million square feet of unused development rights, with Grand Central Terminal, St. Patrick's Cathedral, and St. Bartholomew's Episcopal Church each holding between 850,000 and 1.2 million square feet. Under the existing as-of-right zoning framework, granting sites can only transfer development rights to contiguous receiving sites via a zoning lot merger. Under a special permit pursuant to ZR Section 74-79, landmarked properties may also transfer unused development rights to receiving sites that are adjacent or across the street in exchange for greater flexibility with the bulk requirements of the Special Midtown District. In 1992, the establishment of the Grand Central Subdistrict permitted the transfer of development rights from Grand Central Terminal and other nearby landmarks to a wider range of surrounding developments. However, despite these options, the special permit transfer of development rights from landmarks have been extremely rare, and there continues to be limited prospects of transfer for the majority of the area's unused landmark development rights.

The public realm of East Midtown, both above-grade and below-grade, is an important and unique asset. However, it also presents its own set of challenges for the continued flourishing of the area. The Grand Central 42nd Street subway station is the second busiest station in the system, with almost half a million daily users. Along with other stations in the area, it faces significant circulation constraints, platform crowding, and long dwell times. Above ground, the area's sidewalks and pedestrian spaces can be crowded during the work week, especially on the narrower widths of Madison Avenue and Lexington Avenue. Vehicular congestion exacerbates the negative conditions of the public realm experience. Worst of all, given the area's built density, there is a severe lack of open spaces or public spaces, and very limited opportunities for adding more.

DCP believes that failing to adequately address these challenges facing East Midtown would result in a long-term decline in the health and diversity of the area as a premier business district and economic engine. The loss of competitiveness for a certain sector of tenants would affect the full range of tenants, as it would lead to the weakening of important business clusters in the area, and Class B and C buildings may become ripe for conversion to other uses. Overall, East Midtown would fail to maximize its infrastructure advantages and investments, and lose its place as a prominent economic, historical, architectural, and civic center for the city.

2013 East Midtown Proposal

In recognition of the challenges above, the city created a proposal for East Midtown in 2013 (N 130247 (A) ZRM et al) to reinforce the area's standing as a premier business district. The proposal would have modified zoning regulations for a 73-block area, which would have superseded the Grand Central Subdistrict. The proposal would have focused development around Grand Central Terminal. New developments that met certain lot size criteria in the area around the Terminal would have been eligible to achieve the highest permitted as-of-right density of 24.0 FAR. In addition, sites around the Terminal, including the Vanderbilt Corridor, would have been able to utilize a special permit for Superior Development in order to achieve a maximum density of 30.0 FAR. The proposal would have created a mechanism to fund infrastructure improvements. In order to achieve the new, higher densities, developers would have needed to

contribute to a District Improvement Fund. Development rights at a cost of $250 per square foot as determined by an appraisal contracted by the City, were to be sold by the City. Finally, the proposal created a broader process for the transfer of landmark air rights.

During the Uniform Land Use Review Procedure (ULURP) for the 2013 proposal, a plethora of concerns were raised. There was widespread discussion at the time over whether the proposed mechanisms were the most appropriate for the area. While there was broad agreement that the neighborhood was in need of public realm improvements and new Class A office space, there was significant concern over the use of the District Improvement Bonus and Fund to achieve these goals. Many also raised concerns over the sale of air rights by the City, and whether the City was unfairly competing with landmarks for the sale of those air rights. Additionally, the money raised by the air rights would have been allocated to transportation and public realm projects, but at the time no transparent process had been set for the disbursement of that funding. Thus, there was uncertainty over what above- and below-grade improvements the public could expect. Furthermore, the plan would have allowed new development in advance of any improvements funded in association with that development. Finally, concern was raised over the as-of-right nature of the new densities, and whether more public review should be required for large buildings. Though the City Planning Commission approved the project, it was withdrawn during City Council review.

Vanderbilt Corridor

In 2014, DCP sought to address some of the challenges of East Midtown in a more targeted, five-block area along the west side of Vanderbilt Avenue between East 42nd and East 47th Streets. This Vanderbilt Corridor was the subject of a 2015 zoning text amendment (N 150127 ZRM), which created mechanisms to increase density in exchange for substantial public realm improvements, and permitted transfer of unused landmark development rights in order to allow them to be a primary driver of growth. Sites in the corridor could apply for one or a combination of both special permits to achieve a maximum of 30.0 FAR. Alongside the text amendment was also a City Map amendment (C 140440 MMM) that designated the portion of Vanderbilt Avenue between East 42nd and East 43rd Streets as a "public place" dedicated to pedestrian uses, partly in response to the severe public realm challenges in the area.

The Vanderbilt Corridor plan created a special permit mechanism that linked new commercial development with significant transit and public realm improvements in the Grand Central area. In particular, this facilitated the development of One Vanderbilt Avenue, a 30 FAR, 1.3 million square foot commercial tower currently under construction that received a special permit floor area bonus for the provision of approximately $225 million in improvements. The redevelopment of 343 Madison Avenue is also being contemplated under the Vanderbilt Corridor zoning text, which would contribute to the goal of improving public circulation and transit access in the area around Grand Central Terminal. While the Vanderbilt Corridor area is included in the proposed East Midtown Subdistrict, this application does not contemplate any modifications to the provisions currently applicable in the corridor.

East Midtown Steering Committee

This application under consideration is based, to a large extent, on the work done by the East Midtown Steering Committee ("Steering Committee"). In May 2014 Mayor Bill de Blasio asked Manhattan Borough President Gale A. Brewer and Council Member Daniel R. Garodnick, District 4, to chair a committee to develop a planning framework for the future of East Midtown. The Steering Committee, in addition to the co-chairs, was comprised of representatives of Community Boards 5 and 6, property owners and businesses, landmark groups and unions. The Steering Committee met almost 20 times over the course of almost a year and heard from experts and had input from all relevant agencies including the Department of City Planning, the Department of Transportation, the Landmarks Preservation Commission and the Metropolitan Transportation Authority.

In October, 2015 the Steering Committee issued its final report and recommendations (http://manhattanbp.nyc.gov/downloads/pdf/East%20Midtown%20Report%2010-13-15.pdf). The prelude to its recommendations stated that the Steering Committee:

> supports invigorating the East Midtown office district by encouraging as-of-right, higher density and modernized office development in appropriate locations if accompanied by both (1) significant, timely and assured upgrades to transportation networks and public open spaces…, in accordance with an adopted concept plan and an ongoing, consultative planning process; and (2) preservation of important local historic resources. The Steering Committee believes that any rezoning should provide more certainty as to both the development permitted as-of-right and the public realm improvements that would accompany any increase in density. (Steering Committee Report at 2)

The Steering Committee recommended that in order to best balance the needs for additional commercial density with the preservation of the district's iconic landmarks and the need for improved public transit and above-ground public realm, any final proposal should provide for a largely as-of-right system. The Steering Committee in its recommendations outlined a system in which:

> (1) Additional commercial FAR is permitted above a base FAR with maximum potential FAR based upon a site's frontage on avenues or wide streets, proximity to transit hubs, adjacency to major landmarks and size of the development site;
>
> (2) Additional FAR above the base FAR (up to the site's maximum FAR) be "earned" through a combination of enumerated below-ground subway improvements to be set forth in the ULURP application and the purchase of landmark development rights;
>
> (3) Landmarks be able to transfer development rights district wide and that sufficient receiving sites exist to keep this market balanced and competitive;
>
> (4) Overbuilt buildings would be permitted to rebuild to their existing FAR;

(5) In return for district-wide transfer of development rights for landmarks and the ability of over-built buildings to rebuild, significant contributions be required into a Public Realm Improvement Fund to ensure the creation of above ground public realm improvements. The Steering Committee recommended that these contributions be "robust" at a rate of 20 to 40 percent of the value of the transferred development rights, and that there be a "floor" or minimum contribution or other mechanism to ensure that the established price is not circumvented;

(6) A new entity or "governing group" with a wider membership than could be achieved by an agency be created with authority over the Public Realm Improvement Fund, to select and fund public realm improvement projects in accordance with a public realm concept plan;

(7) Light and air requirements that have served East Midtown well are adhered to while calling on DCP to explore modification of those requirements so that the system can be as-of-right.

Finally, the Steering Committee decided that discussion with CB6 and other stakeholders concerning the inclusion of the east side of Third Avenue from 48th Street to 54th/55th Streets should continue past the tenure of the Steering Committee.

Deputy Mayor Alicia Glen wrote to the Borough President and Council Member affirming the administration's conceptual agreement with the Steering Committee's recommendations, an intent by the Department of City Planning to move forward with a zoning framework reflective of the Steering Committee's goals, and other work by mayoral agencies in keeping with the broader plans beyond zoning text.

Area Context

The diverse considerations put forth by the participants of the Steering Committee reflect the complexity and the many intertwining strengths and needs of the East Midtown area. In order to plan for redevelopment and additional density, the city would have to address in particular the feasibility and impacts of much-needed improvements to the public realm; the residential and mixed use character of certain parts of the Subdistrict, especially along Third Avenue; and the preservation and continued maintenance of the area's landmarked buildings.

Public Realm

East Midtown is one of the most transit-rich locations in the city. According to DCP, 80 percent of trips to East Midtown occur via public transit. Commuters, residents, and visitors enter the Subdistrict through a variety of different transit nodes. In addition to the Lexington Avenue 4-5-6 line, the Flushing 7 line, and the Metro-North Railroad at Grand Central Terminal, other major hubs include the E and M stations at Lexington Avenue-51st/53rd Street and Fifth Avenue-53rd Street. Although not within the boundary of the Subdistrict, the B-D-F-M stations at 42nd Street-Bryant Park and 47-50th Streets-Rockefeller Center, and the 4-5-6 at Lexington Avenue-59th Street also play important roles by feeding into different parts of East Midtown. Being so heavily

utilized, these transit hubs are in need of critical upgrades and targeted improvements to the pedestrian circulation and transfer system.

Above ground, the public realm experience is notably affected by the dearth of publicly accessible open space in the area. In the Draft Environmental Impact Statement (DEIS), the open space study area encompasses a significantly greater territory than the Subdistrict itself, incorporating both Bryant Park and a portion of Central Park. However, it still contains only 99 open space resources, comprising 39.33 total acres of open space. Of these 99 resources, 87 are Privately Owned Public Spaces (POPS). Most of the POPS are small outdoor plazas located between the associated building and the sidewalk, and only seven of them are larger than 0.5 acres. Together, the POPS in the study area comprise 19.5 acres of open space, or approximately half of the total publicly accessible open space.

According to the guidelines of the City Environmental Quality Review (CEQR) Technical Manual, the adequacy of open space is first analyzed quantitatively by comparing the ratio of existing passive open space acreage in the study area per 1,000 non-residents with the CEQR benchmark of 0.15 acres of passive open space per 1,000 non-residents. Then, the analysis compares the open space ratio for combined non-residential and residential population in the study area with the weighted benchmark of 0.15 acres per 1,000 non-residents and 0.50 acres per 1,000 residents. According to the DEIS, the East Midtown study area has an existing open space ratio of 0.068 acres per 1,000 non-residents, which is well below the 0.15 benchmark. It also had a combined ratio of 0.062 acres per 1,000 non-residents and residents, which is again well below the 0.183 weighted average benchmark.

Residential and Mixed Use Character

While the district is predominantly commercial office in character, there are a number of significant institutional buildings, many of which are landmarks, and blocks or street frontages that are more residential in character. Ground floors are punctuated by retail use including national and local retail establishments, restaurants and cafes. This variety gives the district its strength as a vibrant place to work.

Adjacent to the boundaries of the district on Third Avenue, the midblocks between Third and Second Avenues from the north side of East 46th Street to the south side of East 54th Street are residential in character, with institutional use. The block bounded by East 57th Street, Second Avenue, East 56th Street, and Third Avenue is also predominantly residential. Meanwhile, Tudor City is a major apartment complex directly to the east of the proposed zoning map change at 42nd Street and Second Avenue.

Landmarks

East Midtown is home to many buildings of iconic stature with remarkable historical and architectural value. The Landmarks Preservation Commission (LPC) surveyed East Midtown numerous times from 1966-2013, and had designated 38 individual landmarks and one historic district in the area. In 2014, as part of its final report, the East Midtown Steering Committee

determined that LPC should calendar and designate as many historic resources as it deems appropriate in advance of the Greater East Midtown application.

LPC undertook a comprehensive study of East Midtown with the goal of preserving the neighborhood's development history through individual designations. The study area consisted of East 39th to East 57th Streets, from Fifth Avenue to Second Avenue. After extensive research, LPC distinguished between buildings from three key eras central to the development of the neighborhood: Pre-Grand Central Terminal (residential and institutional development through the 1910s); Grand Central/Terminal City (buildings constructed in Terminal City or that were spurred by transit improvements); and Post Grand Central (buildings constructed after 1933).

At a public meeting on May 10, 2016, the agency identified 12 buildings that merit designation and contribute to the rich historical and architectural context of the area. From the Pre-Grand Central Terminal era, LPC identified the Minnie E. Young House and the former Martin Erdmann Residence. From the Grand Central/Terminal City era, LPC identified the 18 East 41st Street Building, the Hampton Shops Building, the Yale Club of New York, the Pershing Square Building, the Graybar Building, 400 Madison Avenue, the Shelton Hotel, the Beverly Hotel, and Hotel Lexington. From the Post Grand Central era, LPC identified the former Citicorp Tower at 601 Lexington Avenue.

At public meetings held November 22, 2016 and December 6, 2016, LPC unanimously granted landmark status to the 12 buildings. The designation of the additional 12 properties brings to 50 the number of individual landmarks designated in this area.

Proposed Zoning Text Amendment

The proposed zoning text amendment would establish an East Midtown Subdistrict within the Special Midtown District. New development would be focused on sites that are near transit stations and along wide streets, and the greatest as-of-right density would be around Grand Central Terminal with lesser densities dissipating out from the Grand Central core. Developments generated through the proposed mechanisms would provide greater opportunity for landmarks to transfer unused development rights throughout the Subdistrict and would provide district-wide public realm improvements. The proposed Subdistrict would supersede the existing Grand Central Subdistrict, and most of the existing zoning regulations of the Grand Central Subdistrict would be incorporated into the proposed Amendment.

Density Framework to Promote New Development

The text amendment addresses the limited growth potential and development challenges associated with the special permit process through a primarily as-of-right framework. The amendment would permit additional density by varying degrees based on locational criteria such as proximity to transit and adjacency to wide streets. This would ensure that the densest new developments be appropriately located near transit and along wide streets, and that the predictable as-of-right process and increased permitted densities serve as incentives for developers to undergo the substantial effort associated with redevelopment projects in this area.

The area around Grand Central Terminal is mapped as a C5-3 zoning district on both wide and narrow streets. This designation permits a maximum of 15.0 FAR. The remainder of the area is mapped with C5-3 and C6-6 districts along the avenues, which permit a maximum of 15.0 FAR, and C5-2.5 and C6-4.5 districts along the midblocks, which permit a maximum of 12.0 FAR. The text amendment would enable sites to utilize three as-of-right mechanisms to achieve specific maximum densities in excess of these base FARs.

New as-of-right maximum densities proposed for the Subdistrict range from 18.0 to 27.0 FAR. In general, higher FARs are permitted in locations proximate to transit nodes and along Park Avenue, an especially wide street. In the area immediately surrounding Grand Central Terminal, the as-of-right maximum density would be 27.0 FAR. In the area east and west of the Grand Central core and the area surrounding the Fifth Avenue-53rd Street and Lexington Avenue-51st/53rd Streets subway stations, the as-of-right maximum density would be 23.0 FAR. These areas of the district with a 23.0 or 27.0 FAR are further defined as Transit Improvement Zones, which is explained in detail below. In the area around the Grand Central Transit Improvement Zone, the as-of-right maximum density would be 21.6 FAR for the blocks nearest Grand Central Terminal's below-grade network and 18.0 FAR for blocks further away. Generally, the areas adjacent to the Fifth Avenue-53rd Street and Lexington Avenue-51st/53rd Streets Transit Improvement Zones would have as-of-right maximum densities of 18.0 FAR. The exception is along Park Avenue, where the as-of-right maximum density would be 25.0 FAR.

Qualifying Site Requirements

Development of new high-quality office space requires appropriate sites. To qualify for the proposed Subdistrict's as-of-right framework, sites must have cleared frontage along a wide street, dedicate no more than 20 percent of the building's floor area for residential use, and comply with environmental standards in order to be considered a Qualifying Site. Qualifying Sites may use three new as-of-right zoning mechanisms to achieve additional floor area: (1) the transfer of landmark development rights, (2) the rebuilding of legally non-compliant floor area, and (3) the completion of direct improvements to below-grade transit infrastructure.

Transfer of Landmark Development Rights

The text amendment would permit additional flexibility in the transfer of landmark development rights by allowing landmarks the ability to transfer to development sites anywhere in the proposed Subdistrict. This mechanism would allow for the redistribution of unused floor area for the construction of office space, support the restoration and continued maintenance of landmarks, and generate funds for public realm improvements.

As is the procedure under ZR Section 74-79, landmarks that transfer development rights will be required to develop a restoration and continuing maintenance plan that is approved by LPC. The sale of development rights will aid landmark property owners in funding these preservation plans and help ensure that landmarked structures continue their significant contribution to the area's overall character.

Each landmark development rights transfer transaction will generate a contribution to the Public Realm Improvement Fund that will facilitate improvements to the area. The contribution rate will be 20 percent of the sale of each development rights transfer from a landmark, or a minimum contribution of $78.60 per square foot, whichever is greater. The minimum contribution rate was informed by a market study of the value of development rights in midtown (https://www1.nyc.gov/assets/planning/download/pdf/plans-studies/greater-east-midtown/market-study.pdf). The minimum contribution will help ensure that new developments appropriately support public realm improvements. The City Planning Commission will, by rule, review and adjust the floor pursuant to the City Administrative Procedure Act every three to five years.

Rebuilding Overbuilt Buildings

There are a number of pre-1961 buildings in East Midtown that do not comply with current zoning regulations, particularly with regard to the amount of floor area permitted, since they were constructed prior to introduction of FAR regulations in the Zoning Resolution. This text amendment would allow for the amount of floor area that exceeds the base FAR to be utilized as-of-right in a new development on the site and in conjunction with a contribution to the Public Realm Improvement Fund.

The text amendment would eliminate the requirement that 25 percent of a building's structure be retained in order to utilize the building's overbuilt floor area as part of a new development. Instead, it would allow the amount of overbuilt floor area to be utilized in a new development as-of-right, and would permit additional floor area to be attained through a landmark development rights transfer and/or a transit infrastructure project. All floor area would be subject to the amendment's use regulations.

The amount of overbuilt floor area rebuilt on these sites would be subject to a contribution into the Public Realm Improvement Fund. The contribution amount would be the same as the minimum contribution ($78.60 per square foot and adjusted every three to five years). This will facilitate improvements to the area that are designed to address the increased density generated by these new developments.

Pre-identified Transit Improvements

Under the Proposed Action, developments on Qualifying Sites within a Transit Improvement Zone (TIZ) would be required to undertake one or more pre-identified transit improvements in exchange for increases to their permitted floor area. Development sites located outside of a TIZ would not be required, or permitted, to undertake transit improvements.

The MTA has identified specific improvements that they believe would most benefit East Midtown office workers, visitors, and residents. These projects would address current issues that impact the area's transit network and anticipate potential needs of the area based on future development. The types of projects identified relate to handicap accessibility, improved access within station areas and circulation between platforms, and new points of access into subway stations from street level. To facilitate this requirement, the pre-identified transit improvements

are assigned a standardized amount of floor area. Transit improvements fall into three categories of floor area, based upon project scope and public benefit ranging from 40,000 square feet, 80,000 square feet or 120,000 square feet.

New developments built pursuant to this proposed framework located in the Transit Improvement Zones would be required to generate between 10 and 20 percent of the development's maximum permitted floor area by completing one or more pre-identified transit improvements. For developments in 23.0 FAR districts, this would equate to between 2.3 and 4.6 FAR of transit improvements, and for developments in the 27.0 FAR district this would equate to between 2.7 and 5.4 FAR of transit improvements. All permitted floor area above these amounts would be through the transfer of unused floor area from the area's landmarks. The exception to this would be for any eligible development that undertakes the improvements identified for the Fifth Avenue-53rd Street (E-M) station. It is expected that these improvements need to be completed simultaneously in order to prevent operational complications for NYC Transit in the station. Therefore, a development would be permitted, as-of-right, to increase their additional floor area beyond 20 percent to complete improvements at this station. The Zoning Resolution details how individual developments select transit improvements, with priority given to those improvements closest to the development site.

Projects on the pre-identified transit improvement list will be included in the zoning text, and they include:

- Grand Central 42nd Street (4-5-6-7-S): Suites of improvements are contemplated to improve accessibility to and from the Flushing Line platforms, including a new platform staircase to the escalator core serving the upper mezzanine, widening of staircases leading down from the Lexington Avenue Line platforms, and a widening of the platform stair at the east end of the station.

- Lexington Avenue-51st/53rd Streets (E-M-6): Proposed improvements include widening an escalator at the 53rd Street portion of the station, replacement of an escalator at the 51st Street portion of the station with a wider staircase, and the addition of new street entrance to the uptown Lexington Avenue Line platform at 50th Street.

- Lexington Avenue-59th Street (N-Q-R-4-5): Proposed improvements include adding more stair capacity between the N-Q-R and Lexington Avenue Line express platforms and the provision of ADA access.

- Fifth Avenue-53rd Street (E-M): Proposed improvements include a new street entrance on the west side of Madison Avenue, a new mezzanine and fare control area, and new vertical circulation elements to the upper and lower platform levels. In addition, a new elevator would make the station fully accessible.

- 47th-50th Streets-Rockefeller Center (B-D-F-M): Capacity improvements at this station would result from the addition of two new platform stairs and the widening of existing platform stairs.

- 42nd Street Bryant Park-Fifth Avenue (B-D-F-M-7): Proposed improvements include a new street entrance to the Flushing Line mezzanine from the north side of West 42nd Street, midblock between Fifth and Sixth Avenues. ADA access would also be provided between the mezzanine level and the Flushing Line platform as well as between the mezzanine level and the Sixth Avenue Line platform.

East Midtown Public Realm Improvement Fund, Governing Group and Concept Plan

The text amendment would establish the East Midtown Public Realm Improvement Fund for the deposit and administration of contributions generated by the transfer of landmark development rights, or the redevelopment of overbuilt buildings with legally non-complying floor area. The Fund would be utilized, at the discretion of a Public Realm Improvement Governing Group (the "Governing Group"), to implement improvements within the proposed Subdistrict, and in its immediate vicinity.

The proposed Governing Group structure consists of nine members: five mayoral appointees from City agencies, a representative of the Office of the Manhattan Borough President, a representative of the New York City Council Member representing Council District 4; a representative of Manhattan Community Board 5; and a representative of Manhattan Community Board 6.

The Governing Group would adopt procedures for the conduct of its activities, which would be consistent with the goals of the proposed Subdistrict. The Governing Group would also adopt and maintain a Concept Plan containing a list of priority above- and below-grade improvements. To inform the initial Concept Plan, a suite of conceptual above- and below-grade public realm improvements have been prepared by DOT and MTA. The MTA improvements are those listed in the previous section. The DOT improvements fall into four general categories: (1) plazas, (2) shared streets, (3) median widenings, and (4) thoroughfare improvements.

The above-grade improvements serve as illustrative examples of the types of projects that could be included in the Concept Plan and where those types of projects might be located. The Governing Group would have the ability to amend, add, or remove projects on the Concept Plan, and to prioritize the funding of projects. All projects must meet a set of criteria outlined in the Zoning Resolution and be a capital project under Section 210 of the New York City Charter.

Height and Setback Modifications

Compliance with the Special Midtown District's height and setback regulations is based on a calculation of the amount of daylight and openness to the sky made available to pedestrians through the proposed building's design. Under the ZR Section 74-79 Landmark Transfer Special Permit, as well as permits available in the Grand Central Subdistrict, modifications to these regulations are allowed to accommodate the higher FAR made available through the floor area transfer. To extend a similar flexibility to the as-of-right framework included in the Proposed Action, modifications to underlying height and setback regulations would be granted to Qualifying Sites so as to permit as-of-right development at the levels allowed through the

proposed framework and to better take account of the smaller development sites and higher street walls found in the East Midtown area. Specific modifications would include:

(1) The requirement that new buildings either meet the existing minimum daylight score for individual Midtown streets (66 percent), or achieve at least the same daylight score of the buildings they replace;

(2) The removal of unintended penalties for building designs looking to match the area's higher street wall context; provide street wall recesses and at-grade setbacks; or place more of their bulk higher in the air where it has less on-street visual impact; and

(3) The allowance for buildings along Park Avenue to measure height and setback compliance based on the avenue's actual dimensions. (Current regulations do not recognize Park Avenue's width.)

Other Modifications Affecting Qualifying Sites

Environmental Standards – In order to ensure that new office construction supports the City's goals for reducing greenhouse gas emissions and achieves a high standard for energy efficiency, all developments on Qualifying Sites shall meet one of the following two requirements. New developments must either (1) utilize a district steam system for the building's heating and hot water systems; or (2), if it does not use district steam, the building's core and shell must exceed the stringent energy efficiency standards of the 2016 New York City Energy Conservation Code (NYCECC) by at least three percent. The CPC may update this standard by rule to keep pace with evolving codes and building practices.

Stacking Rules – In order to enliven the program of future buildings, the 'stacking' rules will be relaxed. Under the existing 'stacking' rules, non-residential uses, such as restaurants, observation decks, and other similar uses, are not permitted above or on the same story as residential uses, limiting the ability to develop such uses in mixed-use buildings with residential uses. In order to permit these active uses, the text amendment would allow these uses to be developed above residential uses as-of-right, provided that the residential and non-residential uses above are not accessible to each other on floors above the ground level.

Urban Design – The Special Midtown District contains a series of requirements tailored to the unique conditions of the area. These include special street wall, pedestrian circulation space, and loading requirements. These requirements would be modified to ensure appropriate as-of-right development in the East Midtown Subdistrict, and would include elements such as sidewalk widening requirements and retail continuity requirements.

Discretionary Actions

While the majority of the text amendment provides an as-of-right framework to achieve the development and public realm improvements desired for the area, there are limited scenarios in which a discretionary action, subject to a separate public review process, is the most appropriate mechanism. This is the case for projects that would include any of the following improvements

or uses. The following special permit mechanisms and authorization would be created through the text amendment, and would occur only through additional discretionary actions:

Public Concourse Special Permit – To create new opportunities for publicly accessible space on Qualifying Sites, the text amendment includes the creation of a new special permit within the proposed Subdistrict to allow an on-site Public Concourse in exchange for up to 3.0 FAR of additional floor area. A Public Concourse can be an enclosed or unenclosed public space that reflects contemporary best practices in urban design. The 3.0 FAR bonus would be in addition to the proposed as-of-right maximum FAR. Therefore, a Qualifying Site could, through this discretionary action, increase its maximum FAR as follows:

Northern Subarea: 18.0 FAR to 21.0 FAR
Southern Subarea: 21.6 FAR to 24.6 FAR
Other Transit Improvement Zone Subarea: 23.0 FAR to 26.0 FAR
Park Avenue Subarea: 25.0 FAR to 28.0 FAR; and
Grand Central Transit Improvement Zone Subarea: 27.0 FAR to 30.0 FAR.

Transit Improvement Special Permits – To allow for new opportunities for transit improvements on Qualifying Sites beyond those made possible through the as-of-right framework, the existing Subway Station Improvements bonus, pursuant to ZR Sections 74-634 and 81-292, will be permitted within the Transit Improvement Zones of the proposed Subdistrict. These special permits allow 3.0 FAR increase of the maximum permitted FAR in exchange for improvements to transit infrastructure. This bonus of up to 3.0 FAR would be in addition to the proposed as-of-right maximum FAR. Therefore, a Qualifying Site could, through this discretionary action, increase its maximum FAR as follows:

Other Transit Improvement Zone Subarea: 23.0 FAR to 26.0 FAR
Grand Central Transit Improvement Zone Subarea: 27.0 FAR to 30.0 FAR.

Special Permit Modification of Subdistrict Regulations – It is anticipated that over the analysis period, some new developments may require modifications to the proposed Subdistrict's regulations in order to utilize the new as-of-right FAR framework, or to realize their maximum permitted floor area within the Subdistrict's as-of-right envelope. This special permit would primarily allow modifications to the proposed Subdistrict's provisions governing height and setback and the definition of a Qualifying Site, and may extend to use and additional bulk regulations as appropriate.

Hotel Special Permit – Hotels in East Midtown must appropriately serve the needs of the business community by providing business-oriented amenities and services, such as conference facilities and advanced telecommunication tools, at a scale proportionate to the needs of the area. To ensure that new floor area for hotel use in the Subdistrict meet these requirements, a special permit similar to that of the Special Permit for Transient Hotels in the Vanderbilt Corridor, would be created within the proposed Subdistrict.

Authorization for Enlargements – The text amendment permits enlargements to use the Qualifying Site provisions by CPC Authorization. Buildings that could not meet the cleared

avenue frontage requirement for a Qualifying Site could utilize this authorization to increase its maximum permitted as-of-right floor area to the equivalent amount for a Qualifying Site in the same subarea. It would achieve this additional floor area through the use of the as-of-right floor area increase mechanisms in the same manner as a Qualifying Site. The enlargement must include significant renovations to the existing building that will bring it up, to the greatest extent possible, to contemporary standards. The authorization may be used in combination with any of the other discretionary actions.

Proposed Zoning Map Amendment

Concurrent with the text amendment, DCP also proposes an amendment to Zoning Map Nos. 8c and 8d to replace an existing C5-2 district (bounded by East 43rd Street to the north, East 42nd Street to the south, Second Avenue to the east, and a line 200 feet easterly of Third Avenue to the west) with a C5-3 district, and to include it within the proposed East Midtown Subdistrict. The area between Second and Third Avenues along East 42nd Street is entirely commercial in character, with a number of existing aging office buildings with potential for redevelopment. The Special Midtown Subdistrict generally follows the boundary of Midtown's commercial areas and thus DCP deems this area to be more appropriate in the Midtown Subdistrict, and additionally as part of the East Midtown Subdistrict. By incorporating the area into Midtown, the Special Subdistrict regulations, including height and setback and streetscape requirements, would become applicable. In order to do this, the rezoning would replace the existing C5-2 district (10.0 FAR) with a C5-3 district (15.0 FAR), and extend the Special Midtown District and the East Midtown Subdistrict over the proposed C5-3 district. As both the existing and proposed designations are C5 districts, they share the same permitted uses.

COMMUNITY BOARD RECOMMENDATIONS

On March 8, 2017 Manhattan Community Board 6 (CB6) voted by a vote of 43 in the affirmative, none in the negative no abstentions to approve a resolution recommending denial of the application unless certain conditions were met. Those conditions included: (1) that DCP make plazas, covered pedestrian spaces and other privately owned public spaces as of right; (2) that transit improvements be prioritized to favor those that benefit the East Midtown Subdistrict; (3) that the text be modified to limit additional height on the midblocks of narrow streets; (4) that the eastern boundary of the Subdistrict be moved to the center of Third Avenue from 43rd Street to 56th Street; (5) that the current height and setback regulations be maintained to preserve light and air; and (6) that the rezoning of the site of the Pfizer headquarters trigger a payment into the Public Realm Improvement Fund based upon the additional increase in density (from 10 FAR to 15 FAR).

On March 9, 2017 Manhattan Community Board 5 (CB5) voted by a vote of 32 in the affirmative, none in the negative and one abstention to approve a resolution recommending denial of the application unless certain conditions were met including the following: (1) there is a creation of new public space on every redeveloped site that takes advantage of the East Midtown's transfer of development rights framework; (2) actions by the Governing Group which will determine public realm improvements require at least one non-Mayoral appointee to ensure

some level of consensus; (3) the percentage of the value of the transferred development rights to be deposited into the Public Realm Improvement Fund be increased to 30 percent and a minimum contribution price be maintained; (4) the City funds some of the Department of Transportation-identified public realm improvements prior to the adoption of the proposed zoning text; and (5) a prohibition on conversion of more than 12 FAR to residential use be included and a special permit be required for all other residential conversions.

Both the CB5 and the CB6 Resolutions concluded that the conditional denials were to be interpreted as conditional approvals if, on or before March 13, 2017, the Administration communicated in writing that "The EIS will consider an alternative that requires redeveloped sites to include either outdoor plaza space or a covered pedestrian space," underscoring the importance to the communities of a more definitive commitment by the City to non-transit, above-ground public realm improvements.

BOROUGH BOARD PUBLIC HEARING

On March 2, 2017, the Manhattan Borough Board and Borough President conducted a public hearing on the application at which approximately 100 people attended and 20 people presented testimony. Additional testimony from 15 people and organizations was submitted after the public hearing. The three issues addressed by the largest numbers of people were: (1) Public realm improvements; (2) the eastern boundary of the proposed Subdistrict; and (3) the minimum required contribution per square foot of development right transfers that would be required to be paid into the Public Realm Improvement Fund.

At the hearing, seven speakers addressed the need for greater emphasis on public open space, while two representatives of property owners cautioned that owners of affected properties must be involved in the selection and implementation of non-transit public realm projects. Six speakers spoke on the need to include the east side of Third Avenue in the proposed Subdistrict and four speakers spoke in opposition to its inclusion based upon impacts to the residential communities east of Third Avenue. Five speakers testified that the proposed minimum contribution of $393 per square foot of transferred development rights to the Public Realm Improvement Fund was excessive and would impede the transfer of development rights by landmarks in the Subdistrict.

Other issues addressed included the need to adhere more closely to current height and setback requirements; opposition to proposed changes in the calculation of the daylight score; the need for more comprehensive traffic studies; and issues concerning the Second Avenue subway. The additional submitted testimony echoed the concerns of speakers at the hearing.

BOROUGH BOARD RESOLUTION

The Manhattan Borough Board met March 16, 2017 to consider a resolution on the application. The day before the Borough Board meeting, DCP had made a commitment to the Borough President and Council Member that it would study in the Environmental Impact Statement (EIS)

a requirement for the creation of privately owned public spaces subject to criteria decided by DCP, which would include that the lot size be a minimum of 40,000 square feet. At the time DCP stated the requirement would likely apply to six or seven development sites in the Subdistrict and result in the sites earning one FAR for the creation of an outdoor public space and three FAR for the creation of an indoor public space.

Having received a commitment from DCP to address a significant concern regarding the lack of concrete proposals for new public open space in the Subdistrict, the Manhattan Borough Board adopted a resolution recommending approval of the application with conditions. Those conditions were as follows:

(1) That the City commit to undertake above-grade public realm pilot projects and provide seed money for the Public Realm Improvement Fund in the upcoming budget so that other such projects can begin and to underscore the City's commitment to the above-grade public realm;

(2) That changes be made to the limitations on uses of the Public Realm Improvement Fund to ensure that above-grade public realm improvements are further prioritized;

(3) That DCP and the Department of Transportation work to adequately define the "Concept Plan" for above-grade public realm in the zoning text and develop a draft concept plan in a reasonable time frame;

(4) That changes be made to the composition and/or functioning of the governing board in accordance with recommendations of the East Midtown Steering Committee Report to ensure sufficient community participation;

(5) That every option for limitations on the east side of Third Avenue – including changes to the eastern border – be reviewed, with the goal of reducing adverse impacts to residential neighborhoods bordering the eastern side of the Subdistrict;

(6) That serious consideration be given to amending the text to limit residential conversions;

(7) That the language on environmental standards in the text is sufficient to support the achievement of the steering committee's goal of achieving an environmental standard of LEED Gold or its equivalent;

(8) That mechanisms that can prevent or limit incremental shadow impacts, especially on existing parks and open spaces, be explored;

(9) That an accurate floor price be set that will not become an obstacle to the contemplated transfer of development rights; and

(10) That DCP work with the affected Community Boards to address their other concerns laid out in their respective resolutions prior to the end of the ULURP period.

The Chairs of Community Boards 5 and 6 stated that they had been expecting to vote against any resolution to recommend approval of the application primarily because of the lack of any requirement that redeveloped sites include either outdoor plaza space or a covered pedestrian space. While acknowledging the progress made with DCP's commitment, they stated that they could not fully support the resolution but would abstain rather than vote against it. The Borough Board voted to approve the resolution recommending approval with conditions of the East Midtown application by a vote of eight in the affirmative, none in the negative and two abstentions.

For a full list of speakers and list of those who submitted testimony, please refer to the appendix following the Borough President Recommendation.

BOROUGH PRESIDENT'S COMMENTS

DCP's application for the redevelopment of East Midtown has been derived from the work done by the Steering Committee and represents a significant improvement upon its predecessor application put forth by the prior administration in 2013. The general goal set forth by the Steering Committee was to enable our city's central business district to develop into a modern world-class business district through an as-of-right plan that would allow the development of new Class A office space, preserve iconic landmarks throughout the district, guarantee significant below ground transit improvements essential to move people in and out of the district as well as above ground public realm improvements necessary to make the district a place where people (and therefore businesses) want to be.

Both the Steering Committee and DCP's proposal seek to guarantee that the creation of new, higher-density, Class-A office space occurs only in conjunction with essential mass transit upgrades in the Transit Improvement Zones. Unlike in the 2013 proposal, these upgrades have been set forth by the MTA in the application with an amount of additional floor area to be unlocked by each improvement. This ensures a predictability and consistency between additional density and the mass transit improvements needed to accommodate that density.

Through the work of the LPC in designating 12 additional landmarks and the ability for new development to earn additional FAR (up to a maximum) through the purchase of landmark development rights from any landmark in the Subdistrict, the Steering Committee and the proposal provide security and a mechanism for support for the landmarks which I believe are so critical to the Subdistrict. The as-of-right proposal ensures that the Subdistrict's landmarks, now 50 in total, will be preserved and will continue to be an essential part of the district's character. To do this the Steering Committee was conscious of the need to provide an adequate number of receiving sites for the 3.5 million square feet of landmark development rights in the Subdistrict in order to create a fair market for their sale.

Finally, the Steering Committee and the proposal seek to emphasize the importance of the above-grade public realm in the creation of a desirable business district through the creation of a Public Realm Improvement Fund funded through payments constituting a percentage of the price of

transferred development rights from landmarks and FAR used in excess of maximums in the redevelopment of overbuilt buildings. These payments would be significant, would go toward projects developed by a separate Governing Body, and the projects would be selected pursuant to types and criteria for projects outlined in a concept plan. The Public Realm Improvement Fund would also be available to use for below-grade improvements.

While coming up with a solid framework for East Midtown, the Steering Committee did not resolve all of the difficult questions it faced. It recognized the need for sufficient receiving sites for landmark development rights, but at the same time understood how the eastern boundary of the proposed Subdistrict was viewed differently by different stakeholders, and recommended more discussion on whether the eastern boundary should be the east or west side of Third Avenue from 48th to 56th Streets. It recognized the need for a robust contribution to the Public Realm Improvement Fund but supplied a range from 20 percent to 40 percent of the value of the development rights transferred. It stated that its goal was to maintain the light and air frameworks currently existing in the area but requested that DCP study slight modifications to accommodate the greater densities. Finally, the Steering Committee struggled with the importance it placed on improving the above grade public realm as we bumped up against the realities of a dense area with little room for new public spaces.

To make this proposal one that is as good as it can be, we need to improve upon certain of these areas before this application is finalized.

Public Realm

Throughout this process, the question has been whether we are doing enough to address the three pillars of this plan that we found crucial to support the additional densities required by modern office space in this Subdistrict: (1) mass transit improvements; (2) landmarks; and (3) above-grade public realm improvements. The Steering Committee concluded that:

> the public realm of East Midtown -- inclusive of transit, plazas, sidewalks and other public spaces - needs to be meaningfully improved, not just to accommodate more development in the district, but also to address the present intensity of land use and keep the district competitive. Planning, funding and project management for such improvements should go in advance of or, at the latest, hand-in-hand with added development (Steering Committee Report at 50)

I strongly believe one should never have to choose between landmarks and public transit improvements, and the work to date has reflected a balance there. However, as made clear by the discussions at the community boards, the Borough Board, and Borough Board public hearing, the proposal did not quite hit the mark in terms of the above-grade public realm. This tension was also evident in the Steering Committee: we insisted upon the importance of above-grade public realm and the need to develop a list of possible projects, but recognized the need for a significant, ongoing process that went far beyond merely tasking an agency with making a list.

To ensure the development of quality above-grade public space while not jeopardizing the stability of our other two pillars – landmarks and mass transit – I believe the that the approved

zoning text by the CPC and City Council must include language that makes the provision of indoor or outdoor public space a requirement, not an option. This is most appropriate for larger assemblages that have the most to gain under the new proposed as-of-right framework and would not be exceptionally burdened or suffer any setbacks to reasonable financial expectations for those sites.

The inclusion of the full block from Third Avenue to Second Avenue with frontage along 42nd Street (the "Pfizer site") is appropriate given the prominence of 42nd Street in East Midtown and Midtown as a whole, the array of transit infrastructure below it, and its commercial character. However, this block will gain in greater proportion than other sites. It is also a rare site that fulfills the qualifying requirements for an outdoor public space. As such it is appropriate to require an outdoor plaza at this site without the provision of an additional floor area bonus.

As a result of discussions between this office, the Councilmember's office, and DCP, the Final Environmental Impact Statement (FEIS) will study an alternative that mandates an indoor or outdoor public space on Qualifying Sites of 40,000 square feet or more. Assumptions for dimensional requirements and placement of these required public spaces will be informed by current provisions in the Zoning Resolution as follows:

i. Minimum size to be studied for an outdoor space will be 2,000 square feet, consistent with public plaza regulations, and an indoor space will be 3,000 square feet, consistent with covered pedestrian space regulations. The FEIS alternative will analyze an outdoor space on Projected Site 15 – the Pfizer site.

ii. Locational restrictions for outdoor spaces will also be consistent with public plaza regulations. These spaces will not be permitted to be within 175 feet of another DCP regulated plaza or Department of Parks and Recreation park and orientation requirements will favor south-facing spaces while prohibiting spaces that would solely be north-facing.

iii. District plan regulations will apply consistent with the provisions specific to the Special Midtown District. These include street wall continuity requirements and a prohibition of outdoor POPS within the Grand Central Terminal Subarea.

DCP is reviewing these assumptions to determine their applicability to this proposal in preparation for further discussions. They are also contemplating the requirement that the Pfizer site specifically provide an outdoor public space.

In addition to a mechanism that requires the development of new public spaces, I have also called for more certainty about the above-ground public realm improvements that will actually happen. Unlike the pre-identified below-grade transit improvements, these above-ground improvements will not be written into the zoning text. Furthermore, they will not be immediately realized, as they too will go through their own public outreach and comment process.

In a letter to Deputy Mayor Alicia Glen dated February 24, 2017, the Councilmember and I requested that a public realm project be piloted in the upcoming fiscal year in order to help establish the feasibility of the proposals and demonstrate solutions for any potential problems

that may arise. Furthermore, the Borough Board resolution called for the provision of seed money for the Public Realm Improvement Fund to demonstrate the city's commitment to the above-grade proposals.

In response, DCP has committed upfront funding for the following purposes (see attached "Commitment Letter" from the Deputy Mayor to the Manhattan Borough President dated April 12, 2017 for these and other commitments referenced herein):

i. **East 53rd Street Corridor Improvements:** The City will complete streetscape improvements along five blocks of East 53rd Street between Second Avenue and Fifth Avenue. Projects will include comprehensive corridor enhancements such as circulation, seating, and greenery improvements. Specific projects will depend on partner participation, which the City will seek to maximize over the course of the ULURP process in order to deliver the highest-quality and highest-impact improvements.

ii. **Upgrade Pershing Square East:** With BID partnership, formally designate Pershing Square East as a pedestrian plaza with regulation signage, and seed upgrades that include expanded geometry with a new gravel surface, improved amenities including planters, moveable cafe tables and chairs, and umbrellas.

iii. **Piloting a Shared Street:** A shared street is a roadway designed for slow travel speeds where pedestrians, cyclists, and motorists all share the right of way. This would take place at a to-be-determined location in East Midtown, pending discussions with relevant stakeholders (including property owners and BIDs) and taking into account access to buildings and loading docks, sanitation, deliveries, pick-up and drop-offs, parking and overall circulation.

iv. **Improve vehicular patterns on Park Avenue:** Implementing street markings to test new vehicular patterns along Park Avenue will help enhance pedestrian safety by reducing crossing distances. Creating optimal pedestrian spaces on Park Avenue, however, can only occur through a full capital project, which is reliant upon coordination with Metro North's capital plans. The City will commit to engaging with the community and Metro North to determine the future feasibility of these pedestrian improvements.

Of particular interest is the proposal for Park Avenue, which would rationalize the traffic but eventually seek to widen the median on this extra-wide avenue and thus free up more space to be devoted for public uses. While it would certainly be a complex undertaking, Park Avenue stretches throughout the Subdistrict, and the possibility of the project is big and intriguing. Of course, the proper organizations and stakeholders must be properly consulted and closely involved throughout the process; however, that is the purpose of upfront commitments to the public realm. It is an opportunity to do proper engagement in advance of unforeseen problems, and to gain a practical understanding of what can or cannot be done in the Subdistrict. In this way, seed funding for a pilot program and the beginnings of other improvement programs will get us closer to a public realm that is as good as it can be.

East Midtown Public Realm Improvement Fund, Governing Group and Concept Plan

The text concerning the operation of the Governing Group and the Public Improvement Fund should be strengthened to ensure the breadth of view, transparency, and accountability envisioned by the Steering Committee.

The Steering Committee determined that the responsibility for public realm planning, project management, and control over the Public Realm Improvement Fund should be vested in an independent board constituting a public/private partnership. This Governing Group would work with the various agencies to select, coordinate and implement improvements to the public realm which would occur "in advance of or simultaneous with development" (Steering Committee Report at 52). The functioning of the Governing Group would be transparent and it would be responsible for outreach, and be accountable to stakeholders as well as government.

The DCP proposed text creates a Public Realm Improvement Fund and a Governing Group consisting of nine members, six appointed by the Mayor, to administer it. Improvements can be made to this text in order to ensure the independence, range of input, transparency and accountability that the Steering Committee contemplated. In addition, some adjustments should be made to satisfy the communities that above-grade public realm will remain a priority.

To ensure the breadth of viewpoint and public/private nature of the entity, the Governing Group should have a representative of a citywide civic organization which has a mission inclusive of urban design and public space. In addition, the voting structure of the group should require the vote of at least one non-mayoral appointee – at least for purposes of approving or prioritizing projects.[1] This will help ensure that the fund is not used to supplement agency budgets for projects they may wish to accomplish, but rather to serve the goals of greater public spaces for this district to maintain its competitiveness and vitality. This change will require the group to go from nine to eleven members so that the mayor still has a majority of appointees and to include the addition of the civic organization representative.

The zoning text should be amended to ensure full transparency and accountability in the conduct of the Governing Group. Language should be added to state that the procedures for the conduct of business shall be publicly available and include rules on reporting and transparency functions, including but not limited to the following: procedures on the adoption and amendment of the concept plan, requirements to provide a transcript or recording of all public meetings and hearings; and transparency and reporting requirements concerning deposits and expenditures from the fund. In addition, because outreach to stakeholders is so important, the Governing Group should be required to have a minimum of one annual public hearing at which members of the public may appear and be heard.

The text should also reflect that above grade improvements are the primary driver for the Concept Plan and expenditures. While worthy below-grade improvements should still be considered, language that explicitly prohibits the use funds for above-grade improvements outside of the district should be included and language prioritizing large above-grade projects should be considered. The text must plainly state that all funds are for use in the Borough of

[1] The City's Franchise Concession Review Committee has six voting members for purposes of any action, four of which are Mayoral appointees, but five votes are required to approve a franchise. See NYC Charter section 373.

Manhattan only and consultation with the affected property owners should be a criteria for improvement selection.

Third Avenue and Subdistrict Boundaries

The true character of Third Avenue has been under discussion since the Steering Committee was formed, and a land use map does not always tell an accurate or full picture. This office believes in the power of site visits and in listening to the community. The zoning framework for this plan will not work without adequate landing sites and future development sites. However, it is clear that there is a significant presence of residential buildings on the blocks in question, and that Third Avenue functions to some extent as a buffer to more residential areas to the east. The coming of the Second Avenue Subway will place further pressures on the residential character of the neighborhoods to the east of this district, and immediate pressure on the midblock structures between Third and Second Avenues.

At a minimum, all existing residential buildings from the east side of Third Avenue must be removed. This removal would not have a significant impact on achieving the goals of the Greater East Midtown Plan and should actually reduce or eliminate displacement of residents on those sites. In addition, the removal of these sites would eliminate a number of split lot conditions under the proposed framework. Discussions with the community stakeholders should continue to determine if further change is required or further steps to mitigate any adverse effects.

With the removal of all residential buildings on the east side of Third Avenue, if needed, the City can study further adjustment of the boundaries to include additional commercial sites for potential redevelopment, such as the American Jewish Committee site on East 56th Street, which is within the C6-6 zone of the rest of the Third Avenue corridor, but not included in the Subdistrict.

Minimum Contribution Rate

The East Midtown Steering Committee Report is clear that a mechanism like a minimum contribution rate and a set minimum valuation for the transfer of development rights is desirable to ensure a baseline of transparency for transactions and a sense of predictability for monies to the Public Realm Improvement Fund. This recommendation reflects the perception of asymmetrical information for public decision makers when it comes to the private transactions of real estate in the City of New York. While a number of documents do eventually become matters of public record, it is considered a science to properly analyze the value of these transactions.

I believe that the implementation of a minimum contribution rate is a sensible solution for transparency and predictability concerns. However, the current minimum valuation of $393 per square foot and its corresponding contribution rate of $78.60 per square foot, based on analysis by Landauer Valuation & Advisory, have been under consistent criticism. In particular, in letters dated February 7, 2017 and April 5, 2017, Cushman and Wakefield, Inc. has provided estimations of the minimum valuation and contribution that are significantly lower.

In the 2013 proposal, the City was to sell development rights at a cost of $250 per square foot, as determined by an appraisal contracted by the City. Other more recent valuations of TDRs, such as those done for the Hudson River Park Trust, also arrived at numbers that gave us doubts about the $393 per square foot valuation.

Given the potential for different office rents and land values in the different corridors of East Midtown, it seems interesting that actual sales for development rights remained relatively stable in the ten-year period in the Landauer report. This may point to transfers as a more fixed cost, or as a value more separate from land value. In order to establish a fair market value for TDRs in Greater East Midtown, it may be more sensible to peg the market value to the actual sale of TDR transactions, not land sales.

Cushman & Wakefield is a respected, dependable appraiser that the City has retained as a third-party appraiser for other projects, including at Hudson Yards. Given that the City has explicated a mechanism by which the minimum contribution rate can be adjusted through third-party appraisals, and given the massive disparity between the rate calculated by Landauer and by Cushman & Wakefield, we believe a lowering of the rate is reasonable. In the spirit of establishing the minimum contribution rate as a *minimum* so as to not impede redevelopment, and seeing as this is a disagreement between two reputable companies, and further seeing that there is a limited number of comparables from which to derive this very important number, we believe it is prudent to err on the side of the lower number and give more room for the market to determine the appropriate price.

Thus, this office believes that the minimum valuation should be closer to the lower of the two appraisals, in the vicinity of the $250 per square foot number of the Cushman & Wakefield analysis. We simply have no evidence that points to why we should favor the analysis of one of these companies over the other. It is my hope that a new number can be agreed upon that is sensible to experts from all sides. However, the valuation that is ultimately chosen must be a fair, lower-bound valuation, otherwise all the aspirations we have for public realm are for naught. If such valuation cannot be reached, we may be forced to look for another option to address the transparency and predictability concerns of the Public Realm Improvement Fund.

Daylighting and Shadows on Open Space

How much sunlight does an office worker require? Advances in technology have only lengthened our working hours, and arguably we spend more time at work than at home or play. So the quality of that work environment matters. It is why even our less-than-ideal POPS are filled to the brim. It is why we need to protect special places like Greenacre Park, and why a number of speakers at the Borough Board/Borough President hearing on this matter reacted strongly to a 12 percent reduction in the passing score, from 75 to 66, for the daylight evaluation requirements for qualifying sites. The daylight evaluation diagrams in the text look otherworldly, and the analysis framework is understood by few. But everyone understands that bigger buildings block more light. So the question remains, how much sunlight is appropriate in a predominantly commercial district?

The East Midtown Steering Committee made a judgment call based on months of discussion that the bulk requirements for this neighborhood would need to be adjusted in order to accommodate the greater amount of density that would result in tangible public goods: investments in mass transit, the protection and viability of significant landmarks, and funds for a public realm Governing Group to disburse to improve the quality of life of workers and residents in the district. What was unresolved was the question of how much would need to be adjusted, or tweaked. The Department of City Planning has given us its best educated guess, and it is a guess, since we lack the modelling for every potential building and every existing building, to truly understand how much light we are losing on a tangible basis. For what is the true felt impact of a score of 75, or 74, or 70, or even 66? I struggled with this question for One Vanderbilt, and eventually landed on the side that less light, while not ideal, is an acceptable trade-off for significant investment in the rest of the public realm. And since I am conditioning this approval on the inclusion of mandated public space at current design standards at the larger of those sites blocking light, which DCP has committed to study, I am again willing to accept that trade.

One part of the daylighting proposal requires greater scrutiny: the option for new buildings to either meet the existing minimum daylight score for individual Midtown streets (66 percent), or achieve at least the same daylight score of the buildings they replace. The allowance for new buildings to match the scores of the previous building on the site is meant to give some small degree of flexibility in redevelopment. However, we are wary of buildings with egregious, failing scores being able to replicate that failure – especially as we do not have enough information about the existence or prevalence of such buildings. Thus, there should be a sensible minimum score that redeveloped buildings must meet, regardless of the scores of the buildings they replace.

Finally, there is the matter of potential shadow impacts to Greenacre Park, a truly exceptional piece of sunlight, greenery and air in an area that sorely needs high-quality public space. The DEIS concludes that the loss of 1.5 hours of afternoon sunlight would not be a significant adverse impact. However, I do consider it significant, especially given the park's small size, flourishing of vegetation, and potential shadow impacts from future development on Second Avenue. Thus, I urge the City to continue working with Greenacre Park to explore all options to avoid shadow impacts from new buildings.

Residential Conversions

A recurring concern throughout discussions on East Midtown is the potential unintended consequence of residential conversions in an area intended for important commercial activity. While the current proposal imposes limits on residential uses in new development that make use of the new density framework, it does not restrict existing buildings to convert to residential.

The City's primary objective through the Greater East Midtown proposal is the redevelopment of underperforming office stock into state-of-the-art office buildings. However, it also continues to support mixed-use neighborhoods as a general principle. The City has cited the following as reasons for not regulating residential conversions as part of the proposal:

i. **Mixed-use neighborhoods** | The revitalization of office stock in East Midtown and the production of residential units are complementary goals. Additional residential units within new buildings using the East Midtown framework (20% maximum), through as-of-right development, or through conversion of existing buildings should not be considered anathema to the success of East Midtown. The combination of workers and residents contributes to the continued vibrant, mixed-use character of the neighborhood.

ii. **A stronger commercial ecosystem** | This proposal incentivizes redevelopment of antiquated commercial buildings into buildings that are predominately Class A commercial in nature. The tenants attracted to these new Class A spaces attract other business that tenant in Class B and C office spaces. This, in turn, drives down commercial vacancy rates and sustains an economically viable business district where the financial inducement to convert office space to another use is countered.

iii. **Residential conversion history** | A look at residential conversions of pre-1961 office or manufacturing buildings within the proposed Subdistrict since 2000 indicates that this is not a pervasive condition. DCP's research found no residential conversions, however, a more thorough analysis in conjunction with DOB would be necessary to verify this finding. The lack of conversions is in part due to East Midtown's built fabric being less suited to residential conversion than other areas such as the Flatiron District, Chelsea, and Downtown Manhattan (refer to building typology below). Since this study period includes one of the largest housing booms in U.S. history, there is no expectation that residential conversions would rise sharply in the future.

iv. **Conversion building typography** | Commercial buildings that lend themselves to residential conversion tend to be pre-war buildings with towers. While the bases of these buildings often consist of large floor plates that don't conform with the legal window requirements for residential units, the tower portion of the building generally provides suitable floor plates for apartment or condo layouts. Buildings with this typology may convert only the tower to residential use while retaining the wider base for office uses. An example of this is the Woolworth Building, which is now a mixed residential-commercial building. The other building typology that lends itself to residential conversion is that of hotels. This again is due to floor plate layouts and window requirements. The Waldorf Astoria is proposed to convert in part to residential use, and is the only commercial building within the Subdistrict that was identified as undertaking a residential conversion. Examples of other buildings within East Midtown with a slender tower or hotel building typology are the General Electric Building (570 Lexington Avenue), the Beverly Hotel (557 Lexington Avenue), the Shelton Hotel (525 Lexington Avenue), and the Lincoln Building (56 East 42nd Street).

I believe in the value of mixed-use neighborhoods, and I can also see that there is some value to preservation in not regulating the option to convert to residential. There are many buildings in the area that do not have the protection of landmark status, but are of significant historical and architectural value to me. In these cases, I can see how the option to convert to residential may allow the building to be preserved rather than to be demolished for a new development.

The primary goal of the proposal is to bolster East Midtown's status as a world-class central business district. It would be a very undesirable outcome if this goal is undermined by more residential conversions than is expected in the City's analysis. In discussions with DCP, it was made clear that if a significant increase in conversions were to occur, a text amendment can be enacted to stop such practices. I believe it is imperative to act swiftly should the situation arise, and that the City must take the appropriate measures to monitor such possibilities and report on the prevalence of conversions to the community and local elected officials. In its Commitment Letter, DCP agreed to report to my office and the City Council on residential conversions in the Subdistrict – a monitoring of the situation that could be useful. However, the Administration only consented to a report after five years, at which point a significant trend of conversions could already be underway. This unreasonable delay renders what could be a useful and conservative tool to protect against a perhaps unlikely, but nevertheless undesirable, occurrence virtually meaningless. I ask the CPC and the City Council to require meaningful reporting from DCP.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President recommends approval of Application Nos. C 170187 ZMM and N 170186 (A) ZRM on the following conditions:

(1) The approved zoning text by the CPC and City Council must include language that makes the provision of indoor or outdoor public space a requirement, not an option, on large assemblages of 40,000 square feet or greater and that the newly incorporated site at 42nd Street and Second Avenue be required to provide an outdoor public space;

(2) The Administration funds and begins to implement its open space commitments set forth in the Commitment Letter dated April 12, 2017 from Deputy Mayor Alicia Glen to the Manhattan Borough President concerning:

- East 53rd street Corridor Streetscape improvements;
- Designation of Pershing Square East as a pedestrian plaza with accompanying upgrades;
- A piloted shared street chosen and implemented in conjunction with all relevant stakeholders;
- Improved vehicular patterns on Park Avenue and commencement of stakeholder outreach and study to determine the feasibility of further pedestrian improvements.

(3) Expansion of the Governing Group to include a representative of a Citywide civic organization with a mission that includes urban design and public space, and consider requiring one non-mayoral appointee action on the approval of projects;

(4) Inclusion in the final text of language, as agreed to in the Commitment Letter, to increase transparency and accountability of the Public Realm Improvement Fund and Governing Group. This should include procedures on the adoption and amendment of the concept plan, requirements to provide a transcript or recording of all public meetings and hearings; and transparency and reporting requirements concerning deposits and expenditures from the fund. The Governing Group should be required to have a minimum of one annual public hearing at which members of the public may also appear and be heard.

(5) At a minimum, removal of all existing residential buildings from the east side of Third Avenue to reduce or eliminate displacement of residents on those sites, and discussions with the community stakeholders should continue to determine if further change is required or further steps to mitigate any adverse effects on the residential areas bordering the eastern boundary of the Subdistrict.

(6) Re-evaluation and lowering of the valuation of transferred development rights to ensure that it is truly fair, and acts as a minimum or floor. It is essential that we err, if at all, on the side that will not choke off the transactions upon which a significant pillar of this proposal is based and if the City cannot come up with a re-evaluation that inspires more confidence it may have to search for another mechanism to address the transparency and predictability concerns of the Public Realm Improvement Fund;

(7) The final text includes a minimum score for daylight below which a redeveloped building cannot score, regardless of the score of the building it replaces;

(8) The City continues working with Greenacre Park to explore all options to avoid shadow impacts from new buildings on the park;

(9) The Administration be required to report to the Borough President, affected Council Member and Community Boards annually on residential conversions in the Subdistrict with a view toward quickly acting to curtail them in the event of a significant uptick in such activity.

Gale A. Brewer
Manhattan Borough President

List 1. Speaker Order for the Manhattan Borough Board/Borough President East Midtown Hearing:

1. Duane Roggendorff, Grand Central Partnership
2. Rob Brynes, President, East Midtown Partnership
3. Michael Slattery, Senior Vice President, Real Estate Board of New York
4. Andrea Goldwyn, Director, Public Policy, New York Landmarks Conservancy
5. Michael Greeley, Manhattan Community Board 5
6. Tom Devaney, Senior Director, Land Use and Planning, Municipal Art Society,
7. Ian Dunford, Hotel Trades Council
8. Joseph Rosenberg, Executive Director, Catholic Community Relations Council
9. Kathy Thompson, Turtle Bay neighborhood resident
10. Lois Cremmins, Executive Director, Greenacre Park
11. Marcia Caban, Executive Director, Central Synagogue
12. John West, City Club
13. Pooya Amin Javaheri, self, architect
14. Kathleen Kelly, self, resident
15. Simeon Bankoff, Executive Director, Historic Districts Council
16. Neil Hohmann, Yale Club*
17. Richard Bass, Akerman LLP on behalf of American Jewish Committee
18. Joan Boyle, self, Tudor City resident
19. Barry Shapiro, self, resident
20. Pierina Sanchez, Director, New York, Regional Plan Association

List 2: Additional submitted testimony to the Office of the Manhattan Borough President: Alphabetically by organization or name:

1. Aimee Lee Ball, self
2. James Collins, self
3. Central Labor Council
4. Rev. Dr. Donna Schaper, Judson Memorial Church, Bricks and Mortals Working Group
5. Hidrock Properties
6. John Edward Putnam, self
7. John West, self
8. Kristin McMahon Kligerman, self
9. Lawrence W. Scheyer, self, Community Board 6 member
10. Leo Korein, COO, Omniperspective Management
11. Municipal Art Society re Greenacre Park
12. Michael Kwartler, self
13. REBNY Greater East Midtown Task Force submission
14. Seaver Realty
15. Turtle Bay Association

OFFICE OF THE MAYOR
THE CITY OF NEW YORK

ALICIA K. GLEN
DEPUTY MAYOR FOR HOUSING AND
ECONOMIC DEVELOPMENT

April 12, 2017

Hon. Gale A. Brewer
Manhattan Borough President
1 Centre Street 19th floor
New York, NY 10007

Re: Applications N 170186 ZRM and C 170187 ZMM (Greater East Midtown)

Dear Borough President Brewer,

The plan to re-zone Greater East Midtown creates capacity for new, modern office buildings linked to mechanisms for major transit improvements, public realm investments, and preservation of some of East Midtown's most iconic landmarks. I want to thank you and Councilmember Daniel Garodnick for your joint leadership of the East Midtown Steering Committee, which not only identified planning priorities for this critical area, but also forged a consensus-driven, solution-oriented vision for the future. The proposal will support enhancements to the area's public realm through development.

With regards to public realm improvements, the City is prepared to make the following commitments:

Improve vehicular patterns on Park Avenue: Implementing street markings to test new vehicular patterns along Park Avenue will help enhance pedestrian safety by reducing crossing distances. Creating optimal pedestrian spaces on Park Avenue, however, can only occur through a full capital project, which is reliant upon coordination with Metro North's capital plans. The City will commit to engaging with the community and Metro North to determine the future feasibility of these pedestrian improvements.

Piloting a Shared Street: A shared street is a roadway designed for slow travel speeds where pedestrians, cyclists, and motorists all share the right of way. This would take place at a to-be-determined location in East Midtown, pending discussions with relevant stakeholders (including property owners and BIDs) and taking into account access to buildings and loading docks, sanitation, deliveries, pick-up and drop-offs, parking and overall circulation.

Seed East 53rd Street Improvements: The City will complete streetscape improvements along five blocks of East 53rd Street between Second Avenue and Fifth Avenue. Projects will include comprehensive corridor enhancements such as circulation, seating, and greenery improvements. Specific projects will depend on partner participation, which the City will seek to maximize over the course of the ULURP process in order to deliver the highest-quality and highest-impact improvements. The Administration welcomes your assistance and collaboration in community engagement efforts associated with this initiative. Support from stakeholders will be critical to implementing and making this a success.

Upgrade Pershing Square East: With BID partnership, formally designate Pershing Square East as a pedestrian plaza with regulation signage, and seed upgrades that include expanded geometry with a new gravel surface, improved amenities including planters, moveable cafe tables and chairs, and umbrellas.

You have advocated for improvements to the proposed Governing Group that will determine which projects are funded. In response to your concerns, the City supports the ability of the Governing Group to prioritize above-grade improvements and that the Governing Group's conduct follows the norms and laws of other city entities with respect to reporting and transparency. We are also amenable to adding a civic organization to the Governing Group, in conjunction with an additional mayoral appointee. We continue to maintain, however, that a mayoral majority is needed to approve projects, as these projects impact city and state infrastructure and the right-of-way.

You have also expressed concerns about residential conversions. The City's primary objective through the Greater East Midtown proposal continues to be the redevelopment of underperforming office stock into state-of-the-art office buildings. We have not seen evidence that the ability for owners to convert their properties to residential uses as-of-right poses any issues for this area. In response to your concern that our policy on residential conversions could undermine the success of this district, DCP will report back to the Manhattan Borough President's Office and the City Council on the prevalence of residential conversions and any associated impacts in the re-zoning boundaries, as appropriate, in five years at the Borough President or Council's request.

Lastly, we understand that you are concerned that the minimum contribution may be too high. We continue to support a minimum contribution to the Public Realm Improvement Fund to ensure public benefits as development occurs and market conditions change; however, we take very seriously the feedback that the current minimum contribution amount could pose an impediment to development. While eliminating the concept of a minimum contribution in its entirely would undermine an integral component of the zoning proposal, namely a mechanism that confers mutual benefits to all stakeholders – developers, landmarks, and the public – at a level that is appropriate, we are continuing to evaluate whether our data set, which is constrained by limited sales activity in East Midtown, adequately addresses the variability in values of receiving sites in East Midtown. Our goal is not to impede development, and we are therefore committed to revisiting our methodology in response to new feedback that we just received from REBNY and the Archdiocese and modifying our approach if necessary.

The Administration looks forward to continuing to work with you on this important re-zoning as it advances through public review.

Sincerely,

Alicia Glen
Deputy Mayor for Housing and Economic Development