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**CITY PLANNING LAUNCHES PUBLIC REVIEW OF EAST MIDTOWN REZONING
TO REINFORCE MAJOR BUSINESS DISTRICT FOR COMING DECADES**

*Plan Funds Major Public Realm Improvements to Grand Central and Surrounding Area;
Zoning Includes First Sustainability Requirements to Ensure That New Buildings are at Leading Edge of Energy Efficient
Construction*

April 22, 2013 – City Planning Commissioner Amanda M. Burden announced the beginning of the official public review today for the much anticipated rezoning of [East Midtown](#), a 73-block area surrounding Grand Central Terminal. The purpose of the rezoning is to ensure the area's future as a world-class business district and major job generator for New York City. The plan provides zoning incentives to promote the development of a handful of new, state-of-the-art commercial buildings over coming decades so that East Midtown's office stock remains attractive to a broad range of businesses, including major corporate tenants. Development under the rezoning is expected to expand the City's tax base, add thousands of permanent jobs in East Midtown and fund improvements to the subway and pedestrian network in the area. The East Midtown plan is also the first initiative to require a higher standard for energy efficiency, ensuring that new office towers in East Midtown utilizing the zoning incentives will be at the leading edge of energy efficiency.

There has been little Class A office stock constructed in the past two decades in East Midtown, threatening the district's long-term preeminence. The East Midtown plan encourages development of a select number of new commercial buildings to ensure that the area continues to serve a diverse range of businesses. In recognition that the future of Midtown also depends on the quality of its public realm, the rezoning will require that in exchange for additional density, developers contribute to a District Improvement Fund that will fund significant improvements to the area's transit and pedestrian network. These public realm improvements will make East Midtown greener, enhance the pedestrian experience and improve the subway transportation network in and around Grand Central Terminal. Over time, based on projected development, this dedicated fund would provide more than a half billion dollars for improvements and amenities.

Deputy Mayor for Economic Development Robert K. Steel said, "The Bloomberg administration has demonstrated the transformative effect of using zoning to encourage economic growth throughout New York City's five boroughs. Despite the phenomenal expansion of Midtown overall in the last several decades, the area surrounding Grand Central Station has not had an infusion of exciting new buildings that we expect to see and are seeing elsewhere in our City. That's why today's milestone is so significant: this carefully considered proposal reflects our commitment to ensure that New York City remains the most economically competitive city in the world. To ensure that East Midtown remains a premier office district over time, it is essential that we act to facilitate targeted, sustainable, transit-oriented development, including exciting, world-class office towers. Today begins the City's official process to elicit public input on the proposal, and the continuation of an ongoing conversation on the future of East Midtown."

City Planning Commissioner Amanda M. Burden said, "Our East Midtown plan provides zoning incentives for the development of a handful of new, state-of-the-art sustainable commercial buildings over the next 20 years. This will enable this iconic district to build on its distinguished building stock and maintain a spectrum of commercial space for different business needs, including tenants seeking modern Class A offices. Because the quality of the public realm above and below ground is critical to the success of a world-class commercial district, a key principle of our plan is to couple this new development with a requirement to fund subway and pedestrian improvements in the area. East Midtown is one of the world's greatest business addresses. Our carefully crafted plan, which is the product of over a hundred meetings with stakeholders, community leaders and elected officials, will ensure that it will continue to be an extraordinary place to locate a business, to work, to walk and to invest."

The rezoning covers the area generally bounded by East 39th Street to the south, East 57th Street to the north, Second and Third Avenues to the east and a line 150 feet east of Fifth Avenue to the west. The area includes Grand Central Terminal at its core with Park Avenue as its central spine, and is served by the Lexington Avenue subway and cross-town subway lines on 42nd and 53rd Streets.

Although East Midtown historically has been one of the most sought after office markets in the New York region, the average age of its office buildings is more than 70 years old. Much of East Midtown's office building stock has low floor-to-ceiling heights and numerous interior columns that fail to meet the needs of corporate tenants. Without new office buildings that meet modern standards, the area's competitiveness as a premier business district will be compromised. In addition, there are a series of pedestrian network challenges in the area, including narrow sidewalks and a lack of open space. Absent intervention, East Midtown would become less desirable as a business district, and the huge public

investment in its transit and regional transportation infrastructure, including East Side Access and the Second Avenue Subway, would fail to realize its full potential to generate jobs and tax revenues for the City.

The proposed East Midtown rezoning is expected to spur new development that would replace approximately 10 million square feet of aging commercial space, and add approximately 4.5 million square feet of commercial space. This new modern office space will ensure the area's continuing role as a premier business district and economic engine. Given that the plan will primarily replace outdated buildings, the City estimates the area's overall building stock of nearly 90 million square feet would only increase by approximately five percent over the next 20 years.

Current Zoning

Current zoning has proven to be an impediment to reinvestment in East Midtown. In the past decade, only two office buildings, both of which are mid-sized, have been developed under existing zoning. In addition, many buildings that predate the existing zoning are built with more floor area than currently allowed, creating a deterrent for redevelopment of these older office buildings. As these older buildings become less desirable for office tenants, they become more economically attractive for conversion from office to residential or hotel use, which erodes the commercial core.

Existing commercial zoning in most of the area allows commercial density to an as-of-right Floor Area Ratio (FAR) of only 15 along the avenues and 12 on some mid-blocks. While the permitted floor area in some locations can be modestly increased through special permits for subway improvements and landmark transfers, these special permits are subject to full public review (ULURP), they have been rarely sought, and therefore, have not incentivized new development nor provided public benefits.

In the area immediately surrounding Grand Central Terminal, an FAR of up to 21.6 can be achieved by a City Planning Commission special permit established in 1992. The purpose of the special permit was to facilitate new development through the transfer of development rights from landmarks, chiefly from Grand Central Terminal, while also providing for improvements to the underground pedestrian network that links Grand Central to surrounding buildings. However, use of the Grand Central special permit requires lengthy negotiations with the City and MTA regarding transit/pedestrian improvements, and a full public review (ULURP) of each transfer. The only project to utilize this special permit, at 383 Madison Avenue, was completed in 2001. Over 1 million square feet of Grand Central Terminal's development rights remain unused.

Proposed Zoning

The plan establishes a new East Midtown Subdistrict as part of the Midtown Special District and replaces special permit requirements with an "earned as-of-right" zoning framework that provides both for a more efficient and predictable process for commercial development as well as an incentive for public realm improvements.

This proposal is a targeted plan. Development at increased FARs would only be permitted on "Qualifying Sites" of a minimum size. Within the Subdistrict, these Qualifying Sites are defined as sites with the full frontage along most avenue blockfronts or 200 feet of frontage along 42nd Street, as well as a minimum site size of 25,000 square feet. New commercial buildings on Qualifying Sites could exceed the base 15 FAR in exchange for contributions of \$250 per square foot to a proposed District Improvement Fund. The fund would be dedicated to critical transit and pedestrian improvements throughout the area such as additional, relocated or reconstructed stair, ramp and escalator connections within the Grand Central subway station as well as a full range of at-grade public realm improvements.

The proposed rezoning would also streamline the process for landmark transfers in the area surrounding Grand Central Terminal, known as the Grand Central Subarea. In this area, only after contributing into the District Improvement Fund for 3 FAR, developers of Qualifying Sites could purchase additional floor area from Grand Central subarea landmark buildings through an expedited process without special permit review.

The maximum FARs that major new developments on Qualifying Sites could achieve under this earned as-of-right framework are:

- Directly around Grand Central Terminal – 24 FAR
- Along Park Avenue – 21.6 FAR
- Other areas to the east and west – 18/14.4 FAR

See map in the [proposal presentation](#). Sites that do not meet "qualifying criteria" would be governed by existing maximum FARs.

The East Midtown plan also offers a solution to the non-complying buildings that are "overbuilt" relative to current zoning (that is, have more floor area than could be built today), which has been a strong deterrent to the replacement of outdated buildings. To make redevelopment on these sites more attractive, the plan allows overbuilt buildings on sites of at least 20,000 square feet to be redeveloped at their existing FAR, provided the developer contributes to the District Improvement Fund for the amount of built floor area above the existing base FAR. The contribution rate for floor area in overbuilt buildings would be \$125 per square foot, 50 percent of the base rate for the District Improvement

Bonus described above.

Sustainability

In order to qualify for the additional floor area above the base FAR, new developments would also be required to exceed New York City Energy Conservation Code requirements for energy efficiency by 15 percent, the first such linking of zoning with sustainable standards. This requirement will ensure that East Midtown continues to be a cutting edge district offering commercial buildings that further the goals of the City to reduce energy use and greenhouse gases, while offering businesses economical and sustainable spaces.

Special Permit for Superior Developments

East Midtown is a place of global distinction and a key feature of the City's skyline. Several iconic towers, including the Chrysler Building, and the Seagram and Lever House towers distinguish and define East Midtown's character. The plan provides opportunities for new, bold buildings at densities beyond those that would be permitted as-of-right on Qualifying Sites, provided they create significant public benefits.

This provision for a Special Permit for Superior Developments sets a high bar for approval as a condition of allowing new skyline-piercing towers to be introduced into the East Midtown context. To exceed the new earned as-of-right framework in East Midtown, a full public review process (ULURP) would be required for developments on Qualifying Sites. The maximum FAR under this special permit would only be granted to buildings that demonstrate extraordinary public benefits and exemplify urban design excellence. The special permit process would determine how much additional FAR is merited. Up to 30 FAR around Grand Central Terminal and up to 24 FAR on the Park Avenue corridor could be granted through a discretionary review, only for "superior developments" that: make a significant contribution to the skyline, result in a superior site plan and massing, and make significant contributions to the pedestrian network. The buildings seeking additional FAR must also include extraordinary on-site public amenities such as a major new public space (indoor and/or outdoor) and, in the case of sites around Grand Central Terminal, incorporate direct and generous connections to the underground pedestrian network. To be eligible for the special permit for density above the "earned as-of-right" FAR in the Grand Central Subarea, sites must be at least 40,000 square feet.

Public Realm

In addition to improvements to the Grand Central subway station, the District Improvement Fund created by the East Midtown rezoning would facilitate above-grade improvements over time which would be prioritized with input from area stakeholders.

Drawing from a palette of urban design interventions such as the addition of trees, plantings, benches, curb extensions, lighting, sidewalk widening, and building setbacks, the Department has identified a variety of strategies for greening the pedestrian environment throughout East Midtown. The conceptual designs introduce key elements that make public space effective and enjoyable – shade, places to sit, and places to meet. The vision also includes the potential for transforming Vanderbilt Avenue, a bleak and underutilized street, into a distinguished pedestrian gateway while still allowing for uninterrupted cross town traffic and vehicular access to Grand Central Terminal and other adjacent buildings. The concept includes connecting Vanderbilt Avenue to other streetscape improvements throughout the area. The Department of City Planning (DCP) will continue to work with the community with the goal of creating a Comprehensive Vision Plan for East Midtown's public realm, including priorities for the use of the District Improvement Fund.

Hand-in-hand with the improvements to be facilitated by the District Improvement Fund, zoning changes would also ensure that new development enhances the public realm, including special street wall, ground floor retail and pedestrian circulation space requirements. For instance, the zoning regulation would require new full avenue frontage buildings to set back from the current sidewalk line to provide wider sidewalks along Madison and Lexington Avenue as well as along narrow side streets near Vanderbilt Avenue, greatly improving the pedestrian experience of these blocks. In addition, sites adjacent to the Grand Central below-grade pedestrian network will, for the first time, be required to provide transit entrance easement volumes to facilitate better connections between the above- and below-grade pedestrian realms.

Part of Larger Economic Development Strategy

The East Midtown proposal is a critical piece of an economic development strategy to ensure the City's future and continuing growth. Given the significance of East Midtown to the City – for its jobs, tax base, and its critical transportation role—the City has prioritized this new regulatory framework to strengthen East Midtown's continued competitiveness on the global stage.

Under the plan's Sunrise Provision, new development may receive building permits beginning in July 2017, augmenting the long-term expansion of the City's overall stock of office space. This would allow sequencing of development consistent with comprehensive planning objectives in other parts of Manhattan and a zoning framework in East Midtown around which property owners can plan for future development.

Public Review

The rezoning initiative is the result of two years of detailed analysis by City Planning, as well as extensive and active consultation with stakeholders. Manhattan Community Boards 5 and 6 now have 60 days to review the proposal, after

which it will go to the Borough President and Borough Board, the City Planning Commission and the City Council as part of the City's Uniform Land Use Review Procedure (ULURP). For more information on the Department's [zoning proposal](#) or more details about [ULURP](#), please visit the DCP website.

Department of City Planning

The Department of City Planning (DCP) promotes strategic growth, transit-oriented development, and sustainable communities in the City, in part by initiating comprehensive, consensus-based planning and zoning changes for individual neighborhoods and business districts, as well as establishing policies and zoning regulations applicable citywide. It supports the City Planning Commission and each year reviews more than 500 land use applications for actions such as zoning changes and disposition of City property. The Department assists both government agencies and the public by providing policy analysis and technical assistance relating to housing, transportation, community facilities, demography, waterfront and public space.