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A BRIGHTER FUTURE FOR EAST MIDTOWN: COUNCIL MEMBER DAN GARODNICK STANDS WITH NEW YORK CITY LEADERS TO SUPPORT EAST MIDTOWN REZONING

New Zoning Rules Unlock 6.5 Million Square Feet of New Commercial Office Space in New York City's Premier Business District

Will Generate Hundreds of Millions of Dollars for Public Improvements as Buildings Come Online -- Alleviating Sidewalk Congestion and Creating Open Spaces

Developers Will Also Contribute Approximately Half a Billion Dollars For Specific Subway Upgrades In Nearby Stations

Additional \$50 Million in Immediate Public Investment to Activate Open Spaces, including a Brand New East 43rd Street

Historic Landmarks Will Have New Revenue Stream to Preserve Iconic Buildings

July 27, 2017 (New York, NY) – Immediately after a unanimous vote by the Subcommittee on Zoning and Franchises, New York City Council Member Dan Garodnick joined New York City leaders on the steps of City Hall to announce the details of the nearly 78-block Greater East Midtown rezoning plan.

“East Midtown is back, it’s full of optimism, and open for business,” said **Council Member Daniel R. Garodnick**. “With this rezoning, we are delivering a framework that will unlock development while delivering extraordinary benefits to the public. We are not only enabling Class A office spaces, but we are also creating a Class A office district to go with them.”

“East Midtown is where New York City competes as the world capital of commerce. Today, we’ve reached agreement on a plan that will tackle the twin challenges of the district’s out of date office buildings and its overburdened public transit. We are opening the door to a new generation of modern office buildings that will spur new jobs and new companies, and linking that growth with direct

investments in the area's subways and streets. This is a powerful promise to the people who live and work in East Midtown, and a clear signal that New York City embraces growth and innovation. I congratulate Council Member Garodnick, Borough President Brewer, the steering committee and the team at City Planning who made this plan a reality," said **Deputy Mayor for Housing and Economic Development Alicia Glen**.

"The Greater East Midtown rezoning plan is a victory for everyone who lives, works, walks, or rides a subway through the East Side, and it also proves that stakeholder-driven planning works," said **Manhattan Borough President Gale A. Brewer**. "Putting all the stakeholders around a table before the plan was certified meant we could forge consensus on a sound blueprint for East Midtown's future. This plan, based on that blueprint, will spur new, state-of-the-art office construction, attract jobs, and deliver major investments in transit and street-level infrastructure, open space, and local landmarks."

Summary The zoning, as amended, will:

- Generate 6.5 million square feet in new commercial office space over the next 20 years;
- Deliver hundreds of millions of dollars for public improvements as buildings come online, including a \$50 million upfront investment from the City;
- Convert 43rd Street between Third and Lexington Avenues, into a "shared street" with, and new public space;
- Directly improve area subways in connection with development, with the real estate community funding approximately half a billion dollars of specific improvements in nearby stations as they build new office buildings.
- Allow area landmarks to sell 3.6 million square feet of unused air rights, and use proceeds to renovate historic structures
- Require the biggest new buildings to include privately owned public spaces (POPS) on site.
- Create 28,000 new permanent jobs and over 23,000 construction jobs in the next two decades.

Background East Midtown office buildings have an average age of 75 years, and do not meet the 21st century standards expected by many commercial tenants. For too long, the zoning code discouraged new buildings from being erected -- with many buildings already too large for the existing zoning. At the same time, public spaces are scarce, sidewalks are overflowing with people and subway access is challenging. An area which provides 10% of New York City's real estate tax revenues needs an upgrade that provides certainty and benefits for both the private sector and the public.

After a prior plan failed at the City Council in 2013, Mayor de Blasio asked Council Member Garodnick and Manhattan Borough President Gale Brewer to co-chair the East Midtown Steering Committee. This group consisted of representatives of community boards, BIDs, labor, landmarks, and the real estate community in Midtown East, and met nineteen times over nine months to develop guidelines for a new rezoning. This served as the framework for the Greater East Midtown rezoning, as certified by the Department of City Planning in January 2017.

The East Midtown Rezoning Creates and Secures Public Space Garodnick and the de Blasio Administration today announced the City's \$50 million commitment to ensure that public realm improvements get immediately off the ground before a single new building is built. They also announced a brand new open space in the heart of East Midtown, turning 43rd Street adjacent to Grand Central Terminal into a "shared street." This space will offer much needed respite for nearby office workers and commuters and address sidewalk overflow. This is in addition to the public plaza to be constructed on the west side of Grand Central that is part of the \$220 million that had been delivered as part of the Vanderbilt Avenue Rezoning.

The Council also today amended the rezoning plan to require developers to deliver Privately Owned Public Spaces (“POPS”) in sites over 30,000 square feet. This is expected to generate 16 new POPS, ensuring that open space is distributed and accessible throughout the district.

The East Midtown Rezoning Funds Transit Improvements For the first time in New York City history, a developer will be able to earn density by delivering transit improvements that are explicitly delineated in the Zoning Resolution. They could include constructing a new street-level exit, widening staircases, and/or other measures to improve passenger flow. Added together, these steps will reduce platform crowding, speed up travel, and minimize delays. Because these upgrades are written directly into the zoning text, it prescribes exactly how the public will benefit as density in the district increases. All together, these improvements are expected to total approximately \$500 million.

The East Midtown Rezoning Strengthens Landmarks for the Next Generation From St. Patrick Cathedral, St. Bart’s, and Central Synagogue to Grand Central itself, East Midtown is home to some of New York City’s most iconic landmarks. The Greater East Midtown rezoning allows area landmarks to sell their unused air rights to qualified sites within the district. This revenue stream will ensure landmarks have sufficient funds for renovations and preservation. Additionally, a portion of dollars from each air rights sale will go towards the public realm improvement fund. Specifically, minimum contributions must be either \$61.49 per square foot or 20% -- whichever is higher. As more sales occur and more buildings are developed, this fund will collect nearly \$350 million, to be used solely on public realm improvements in East Midtown.

The Council amendments to the text include:

- Setting the minimum contribution to the public fund at \$61.49 per square foot, or 20%, whichever is higher.
- Requiring Privately Owned Public Spaces (POPS) on sites that are larger than 30,000 square feet. This is expected to generate 16 new POPS in the district.
- Prohibiting buildings from keeping poor light and air scores when constructing new buildings.
- Excluding several blocks of Third Avenue from the plan to address concerns from the Turtle Bay Community.
- Defining the Governing Group for the allocation of public funds as a local development corporation, and giving process rights to non-mayoral members.
- Requiring 75 feet of minimum street frontage for buildings taking advantage of the zoning.

With input from Community Boards 5 and 6, Manhattan Borough President Gale Brewer, the City Planning Commission, and City Council, this proposal represents the best example of collaborative, community input and is a tremendous improvement upon previous plans.

"It is critical for New York City's midtown to remain the central business district for our area, and that requires state-of-the-art buildings that will accommodate today's businesses," said **Congresswoman Carolyn B. Maloney**. "This rezoning will encourage new development while ensuring new amenities that will benefit the people who live and work here. This agreement will bring better transportation, new pocket parks and other badly needed improvements to midtown. I want to congratulate Councilman Dan Garodnick and the Land Use Committee, Borough President Gale Brewer and the de Blasio Administration for working together to reach an agreement that addresses community concerns and business needs."

The plan being voted on today by the zoning subcommittee and land use committee represents a turning point in future of East Midtown and will produce new state of the art office buildings, improved transit connectivity, additional resources for some of New York's most treasured landmarks, and significant new

public space. I want to congratulate Council Member Garodnick on the years of hard work to build consensus within the community, work with the administration to craft a zoning proposal, and finally vote on a series of important modifications and secure capital funding to kickstart public space improvements. I thank Chair Richards and Chair Greenfield, as always, for all of their hard work," said **City Council Speaker Melissa Mark-Viverito**.

"East Midtown has long been the world's premiere business district. It is the business and revenue center of New York City with historic iconic buildings and unparalleled transportation options. After years of hard work, East Midtown now has the zoning framework to maintain that preeminent status with 21st century buildings and unparalleled access, amenities and new transportation and streetscape improvements. This is truly a historic day for the future of our city. I want to congratulate my colleague, Council Member Dan Garodnick, for having the tremendous foresight and perseverance to meet the needs of a truly daunting number of stakeholders and get the job done right. I also thank Borough President Gale Brewer for her partnership and all of the members of the steering committee for working collaboratively to make this happen. We should all be proud of the end result," said **Council Member David Greenfield, Chair of the Committee on Land Use**.

"This rezoning will finally tap into the true potential of East Midtown and deliver transit improvements, office space, open space and preserve historic landmarks," said **Council Member Donovan Richards, Chair of the Subcommittee on Zoning and Franchises**. "This has been a long time coming, but residents and business owners will feel the benefits of this plan for decades to come. I'd like to congratulate Council Member Garodnick and Manhattan Borough President Gale Brewer for showing true leadership in negotiating a big victory for their residents."

"I am very pleased that a deal has been reached to move forward on the East Midtown rezoning after a long, comprehensive, and inclusive process. I applaud Borough President Brewer and Council Member Garodnick for working diligently with Mayor de Blasio's administration to ensure that this extremely complex rezoning balances the needs of those who already live and work in East Midtown, vital infrastructure and open space improvements, and our historic structures, while encouraging the planned development of 21st Century commercial buildings," said **State Senator Liz Krueger**.

"In order to compete in a 21st century economy, we must attract world-class businesses," said **Assemblymember Dan Quart**. "Rezoning East Midtown is long overdue and will create jobs, public spaces, and a thriving business district. I applaud all involved in securing this victory for our city."

"While the City's priorities for the rezoning of East Midtown were never ones with which we fully agreed, we applaud and deeply appreciate the efforts of our Council Member, Dan Garodnick, and Borough President Gale Brewer to make it a better plan. They successfully fought for more public space and for a more attractive and pedestrian-friendly environment for the tens of thousands of workers who will spend their days around and within these new towers," said **Vicki Barbero, Chair of Community Board 5**.

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