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Testimony of State Senator Liz Krueger
Before the Multi-Board Task Force on East Midtown on the
Proposed Rezoning of East Midtown
May 13, 2103

My name is Liz Krueger and I am the State Senator representing the 28th State Senate District, which includes parts of East Midtown, and most of the East Side of Manhattan from 13th - 96th Streets. I appreciate this opportunity to comment on the Department of City Planning's proposed rezoning of East Midtown, a 73-block area surrounding Grand Central Terminal.

I am proud to have included in my district the incredibly talented and dedicated members of Community Boards 5 and 6, in whose boundaries this rezoning is being proposed. As Community Board members, you have a unique and profound understanding of the strengths, needs, and challenges of the neighborhoods that would be impacted by the proposed rezoning. The members of the Multi-Board Task Force have worked tirelessly to analyze, debate, and improve the rezoning proposal since it was first announced. I greatly appreciate the countless hours the Task Force spent developing comprehensive "Principles for a New East Midtown," and believe that these principles should provide the framework for any rezoning of this community.

Barely a year after the idea of rezoning East Midtown was first mentioned in the Mayor's 2012 State of the City address, a sweeping rezoning proposal that has the potential to dramatically impact the area has been certified by the Department of City Planning for public review through the Uniform Land Use Review Procedure (ULURP) process. The certification of a rezoning proposal of this scale on such an abbreviated timeline is virtually unprecedented. As this rezoning is so important, it is critical that it is done correctly the first time, and is responsive to the concerns of the area's current stakeholders even as it lays the groundwork for the area's future. Along with the members of this Task Force, and my fellow East Side elected officials, I called upon the City to postpone the certification of this proposal to allow time for sufficient community input.

I fully appreciate the importance of maintaining East Midtown's long-standing position as a premier business district for companies across the globe, and understand that some of the area's existing building stock is out of date. There is no question that we must keep our midtown core competitive, and that some zoning changes may be needed to encourage the development of new world-class office buildings and the jobs that will come with them.

However, any zoning changes with the potential to lead to substantial new development in a densely populated vibrant area, such as those being considered today, must be carefully considered in the

context of comprehensive community-based infrastructure and open space plans. A rezoning of this scale cannot be driven simply by a desire to facilitate real estate development or to complete it before the end of a mayoral administration. As articulated in the “Principles for a New East Midtown,” this rezoning will only be successful if it strengthens the area’s transit network, provides desperately needed additional open space, improves pedestrian flow, and protects the neighborhood’s historic buildings.

I believe, as do many people in this room, that the East Midtown rezoning proposal fails to address a number of fundamental concerns that local elected officials, Task Force members, editorial boards, transportation, land-use and preservation advocates, and other affected community members have raised over the course of the last year.

Without giving these issues the serious consideration they deserve, the adoption of this proposal would represent a tremendous missed opportunity at best, and would play a dangerously risky game with the future of Manhattan’s urban and commercial core in East Midtown.

From the beginning of this process, I have supported a commitment to the following concerns and principles:

- Recognition of the need for specific commitments to mass transit improvements in the Grand Central neighborhood, relating to current MTA mega projects, regardless of any future zoning changes;
- Responsible consideration of alternative sources of funding for crucially-needed transit improvements and infrastructure investments;
- Development of a true, comprehensive public realm plan for this dense, congested set of neighborhoods that will result in a more well-designed, walk-able business district;
- Predictability for the public and for existing community stakeholders on what will result from this rezoning plan; and
- The study and review of broader options for this rezoning plan, so that the participants in the ULURP process would be able to consider alternatives and get it right the first time.

The plan certified by City Planning and submitted for this ULURP process ignores each of these concerns and violates each of these principles.

In both meetings and written correspondence with the City, my fellow elected officials and I insisted upon a commitment to infrastructure improvements in the Grand Central neighborhood today, not simply an offer to attempt to start them more than five years in the future. The plan presented here ignores this concern, offering us only the future prospect of a District Improvement Fund financed by uncertain commercial development and steered by a committee of mayoral appointees who are not even obligated to spend the money on the improvements that are of highest priority to the community.

We cannot build a 21st century Midtown with early 20th century infrastructure. If the City is serious about our global position with respect to other world cities, serious infrastructure investment should be at the center of any plan for Midtown. If residents and the business community alike are to have any confidence at all that such investment is indeed coming with this District Improvement Fund, it should be there in writing. Additionally, the committee steering the fund should include stakeholders, such as the relevant Community Boards and elected officials, who would ensure the work gets done.

I joined my colleagues as well in insisting that we think far more ambitiously about potential infrastructure investments, and investigating sources of funding other than the proposed District Improvement Fund. The MTA has identified \$340 to \$465 million in basic improvements (in 2013 dollars) that will be needed – not desired, needed – over the next ten years. These are particularly crucial in light of the projected completion of East Side Access, and the expansion of the 7 line to the far West Side, before the end of the decade. East Side Access alone is projected to add approximately 80,000 additional people each day to the Grand Central area’s already-overtaxed pedestrian network and subway and intermodal connections.

We can work with the City and the MTA to prioritize needed improvements, but the funding and timetable must be predictable, stable, and not substantially dependent on the hope of development and attendant contributions to the proposed District Improvement Fund. Moreover, it is inappropriate for the MTA and the City of New York to rely on a local rezoning to fund critical capital transit improvements that will benefit (and should be paid for by) the whole region. Members of the community have proposed several alternatives that are worth serious investigation and consideration, including bonding or pursuing special assessments. Both of these have been dismissed by City officials, with obvious contempt, at public meetings. The closed-minded, my-way-or-the-highway attitude displayed by the Administration throughout this process, particularly on this point, has been unacceptable. With everyone from the affected community boards to U.S. Senator Chuck Schumer recently calling for the City to look at bonding the needed work to keep Midtown’s transit network moving, the City’s bizarre intransigence on this point is unacceptable.

Even taking the District Improvement Fund as given, the plan presented seems deeply flawed. I appreciate that the City consulted experts to develop a “fair market value” of contributions to the District Improvement Fund, but I join community members and several of my fellow elected officials in wondering why the City chose to assess this particular number – an average fair market value for air rights across an extremely varied area. I question the wisdom and the necessity of applying this rate universally, when it may be tremendously undervalued with respect to the specific development sites in question. Still, I appreciate that some expert scrutiny and planning has been brought to bear on the question of air rights valuation, in stark contrast to the complete lack of advance planning or predictability when it comes to the transit and public realm improvements this rezoning is supposedly intended to support.

My colleagues and I joined members of the community in calling for a comprehensive public realm plan addressing the area’s needs block by block. A rezoning plan must result in more walk-able and well-designed streets, open spaces, and seamless connections between the buildings and Grand Central. With the exception of closing off several blocks of Vanderbilt Avenue to car traffic, the City has not adequately studied these questions, nor has it formulated anything resembling a comprehensive plan. As an aside, the City’s clear prioritization of Vanderbilt Avenue’s closure and conversion to a public plaza seems odd, given its low value to the neighborhood as a whole when compared to transit and street-level pedestrian improvements. There are many unanswered questions about the “private” versus “public” advantages that would be the result of Vanderbilt Avenue’s closure.

I am also concerned that the rezoning proposal fails to adequately protect the many historically and architecturally important buildings in East Midtown that have not yet been landmarked. There are 21 non-landmarked buildings in the proposed rezoning area that the New York State Historic Preservation Office has determined are eligible for listing on the State and National Registers of Historic Places. A

2012 survey conducted by the New York Landmarks Conservancy found an additional 17 historic buildings that it plans to submit to State Historic Preservation Office for consideration. Of this total group of 38 historically significant buildings identified by the Landmarks Conservancy, 16 have been identified as projected or potential development sites in the scoping document prepared by the Department of City Planning. I am pleased the City's Landmarks Preservation Commission recently determined that 12 buildings (out of a list of 17 submitted for consideration by the Municipal Arts Society, the New York Landmarks Conservancy, and the Historic Districts Council) within the rezoning area may merit landmarks designation.

However, given the speed at which the rezoning proposal is moving forward, it is essential for the Landmarks Preservation Commission to calendar the buildings it has identified as expeditiously as possible. As we are working to lay the groundwork for the future of East Midtown, it must ensure that the historically important buildings that add to the community's vibrancy and diversity are preserved. As anyone familiar with the history of East Midtown is aware, if not for citizen activists challenging poorly vetted proposals, we would no longer have Grand Central Station, the Lever House, or St. Bartholomew's Church on Park Avenue.

To summarize:

1. The City has failed to outline, detail, or guarantee swift progress on the very transit and public realm improvements this rezoning is supposed to fund;
2. The City has failed to adequately study alternative funding mechanisms to overcome or sidestep the shortcomings of the proposed District Improvement Fund structure;
3. The City has failed to even consider strategies for maximizing District Improvement Fund revenue, volunteering to leave substantial sums of money on the table rather than maximize the benefit of their plan for transit and the public realm;
4. The City has failed to study alternative zoning ideas whose consideration has been requested by the community and its elected representatives, including the possibility of mixed-use alternatives incorporating both residential and commercial growth; and
5. The City has failed to leave adequate time for evaluating landmarks status for a significant number of important buildings identified by the experts in their fields.

The rezoning proposal certified by City Planning is not a comprehensive plan for the future of East Midtown. It is a proposal to add substantial commercial density to a neighborhood with overburdened infrastructure that fails to provide reliable benefits for the impacted community. That is not how land-use, zoning, and transit planning should be done in New York City. I was one of four local elected officials who sent a letter to Deputy Mayor Robert Steel which stated in no uncertain terms that we would reject any proposal that did not adequately address the infrastructure and public realm needs of the area. This plan does not.

I commend the Multi-Board Task Force, the Municipal Arts Society, and the many other organizations working to ensure a prudent plan that takes into account the needs of Midtown, and the City as a whole, for your work so far. I pledge my continued support to work toward a plan that is guided by the framework established by the Multi-Board Task Force's "Principles for a New East Midtown." These are complicated issues, and it appears that the City is either unwilling or unable to address them in 2013. We should continue to move forward and maximize East Midtown's options in the 21st century, but not with this plan, and not this year.