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Testimony of State Senator Liz Krueger
Before the New York City Planning Commission on the
Proposed Rezoning of East Midtown
August 7, 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 Street to 96th Street. 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.

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 was certified by the Department of City Planning for public review through the Uniform Land Use Review Procedure (ULURP) process. The certification on such an abbreviated timeline of a rezoning proposal of this scale is virtually unprecedented. Along with the members of the Multi-Board Task Force on East Midtown, 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. Unfortunately, instead of slowing down the process and seriously considering the myriad concerns raised, the City certified an ill-conceived rezoning proposal that will benefit a small number of developers at the public's expense.

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. 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.

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business district for companies across the globe, and understand that some of the area's existing building stock is out of date.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, the future competitiveness of East Midtown will be determined not by whether a number of new large office towers are constructed but by the strength of the area's transportation infrastructure, the vibrancy of its streets and open spaces, and the protection of its historic resources. Building stock is only one piece of the puzzle, and this

plan fails to properly account for these other factors' critical importance to any effort at ensuring East Midtown will remain a premier business district.

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. Community Boards 5 and 6, which joined with Community Boards 1 and 4 to form the Multi-Board Task Force on East Midtown, worked tirelessly to analyze, debate, and improve this rezoning proposal since it was first announced. After countless hours of discussion and public meetings, the Task Force developed comprehensive "Principles for a New East Midtown" which state that the rezoning of the area 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. There is no question that these principles, rather than a focus on adding large class A office towers, should provide the framework for any rezoning of East Midtown.

Unfortunately, despite months of discussions between the Multi-Board Task Force and the City before the rezoning plan was certified, the rezoning proposal submitted for consideration through the ULURP process ignores almost all of the fundamental principles the Task Force articulated. After conducting a public hearing on the certified proposal, and engaging in many additional hours of discussion, the Task Force determined that the rezoning proposal violates the majority of its "Principles for a New East Midtown," fails to address the real challenges facing the community, and does not properly balance private gain with public good. The Multi-Board Task Force, the individual boards making up the Task Force, and the Manhattan Borough Board all voted to recommend denial of the ULURP application.

While the City has made small improvements to its rezoning proposal since the votes by the Multi-Board Task Force and Manhattan Borough Board, these improvements are far too modest and fail to address the plan's fundamental flaws. Therefore, I join the Multi-Board Task Force in recommending the rejection of the proposed rezoning of East Midtown.

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. Below, I highlight some of my primary concerns about the plan.

Infrastructure

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 ignores this concern, offering us 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. As the *New York Times* architecture critic Michael Kimmelman wrote on July 24, 2013:

Big cities making gains on New York are investing in rail stations, airports and high-speed trains, while New York rests on the laurels of Grand Central and suffers the 4, 5, and 6 trains,

which serve East Midtown...Improving the lives of the 1.3 million people riding those trains would instantly make the city more competitive.

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. 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.

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. My colleagues and I have repeatedly insisted that we must think far more ambitiously about potential infrastructure investments, and investigating sources of funding other than the proposed District Improvement Fund. 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.

After months of refusing to consider alternative funding infrastructure mechanisms, Mayor Bloomberg announced in a *Daily News* editorial last week that the city would advance “a significant portion of the money” so that “the public can experience the benefits of the plan — a transformed Grand Central with benefits throughout the Lexington subway line and improvements to streets and public spaces — far more quickly.” While I am pleased the City has apparently recognized that it cannot wait for private funds to trickle into the District Improvement Fund to begin infrastructure improvements, we have been given few details and no specific guarantees on how and when this money would be spent provides little comfort to the community.

Pricing of the District Improvement Bonus

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.

Public Realm

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 almost a year ago. 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 pleased that at the urging of Councilmember Daniel Garodnick, the Departments of City Planning and Transportation hired architecture and planning consultants to work with the public to develop a comprehensive public realm plan for East Midtown. Unfortunately, this public realm study was not initiated until almost a month after the certification of the East Midtown rezoning plan – making it impossible for any recommendations from this public realm study to be incorporated into the formal review of the rezoning proposal.

Historic Preservation & Landmarks

I am also concerned that the rezoning proposal fails to provide an adequate opportunity to 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.

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. The Draft Environmental Impact Statement (DEIS) evaluating this rezoning proposal identified 11 buildings eligible for possible landmark designation by the City Landmarks Preservation Commission. The owner of one of 16 East 41st Street, one of the 11 buildings listed in the DEIS, is already working to strip the building of its historic façade to try to prevent landmark designation. Unless the Landmarks Preservation Commission acts quickly to protect the 10 remaining buildings, the remaining non-designated historic buildings are in great danger of being altered or demolished.

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 it were 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; and
4. 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 being considered today 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 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 seriously address them in 2013. I believe in the City's stated goal for this rezoning plan: securing the future of East Midtown as a premier business district. But because I do believe in that goal, I believe we must reject this plan, this year, and work together to come up with a plan that actually achieves that goal.