

Manhattan Community Board Five

Vikki Barbero, Chair

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Marisa Maack, District Manager

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Good afternoon,

My name is Marisa Maack, District Manager of CB5, and I am reading this statement on behalf of Chair Vikki Barbero. Thank you for holding this hearing and the opportunity to testify.

The GPP introduced by ESD in 2020 falls almost entirely in our district. Since the plan's announcement by then Governor Cuomo in January 2020, CB5 has been closely engaged in reviewing and negotiating the proposal. We have passed numerous resolutions raising multiple concerns about the plan. Among others, we have very serious concerns about the funding and financing framework.

As it has been stated, IBO, the Independent Budget Office at CB5 and other groups request, prepared a report looking into the impact of the GPP on city budget. The report underscored the GPP's lack of detailed information.

CB5 sent a letter to senators Krueger, Hoylman and Comrie asking them to consider holding a hearing. We are extremely grateful that you agreed to hold a hearing, and grateful for your leadership on this very important and complex issue.

For the past two years, CB5 has objected to the plan. Our objections are numerous, and are spelled out in our latest 23 pages resolution. Today, we will focus on a few specific issues that were raised by the IBO report, issued 2 months ago. The main stated goal of the plan is to provide funding to repair and expand Penn Station.

CB5 agrees that Penn Station is in dire need to be improved.

We must emphasize that the GPP, led by ESD is NOT a transportation plan.

The various plans have been entirely segmented.

What is in front of us, what we object to, is a real estate, above ground project.

We sympathize with MTA and eagerly look forward to details of Penn reconstruction.

But we are here today to talk about a real estate and land use project.
This project has many questions unanswered.

The premise is that we need to build towers to generate revenue to fix Penn.

Here are our questions:

How much excess taxes will trickle in?

How much revenue will be taken away?

How much will the federal share rise to?

How large of a tax break will be granted to Vornado, the sole developer bound to benefit from this GPP.

Given that ESD admitted today that the state will have to back payments if the Pilot revenue does not come in in a timely fashion, it is likely bridge loans will have to be taken. Has ESD assessed the impact of interest rates increases?

We believe that the funding can be secured without relying on any very uncertain pilot agreements.

We must get specific answers. ESD must provide actual numbers so that we can do the math.

Unless and until we do, this project should be retired so that we can figure out the financing piece of this plan.

Thank you,