

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

SUBCOMMITTEE ON ZONING AND FRANCHISES

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August 23, 2010  
Start: 09:50am  
Recess: 01:13pm

HELD AT: Council Chambers  
City Hall

B E F O R E:  
MARK WEPRIN  
Chairperson

COUNCIL MEMBERS:  
Leroy G. Comrie, Jr.  
Daniel R. Garodnick  
Vincent Ignizio  
Robert Jackson  
Diana Reyna  
James Vacca  
Albert Vann

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Michael Kelly Inc.

Bruce Regal  
Senior Counsel  
Department of Information Technology & Telecomm

Brett Sikoff  
Director of Mobile Telecomm Franchises  
DOITT

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CHAIRPERSON WEPRIN: Okay, good morning everyone. If everyone can find their seats and settle down, we're a little crowded here. We apologize for that. As you know, we don't have City Hall for our hearings, and don't have those spacious environments, so we have the friendly confines of the 16<sup>th</sup> floor. My name is Mark Weprin, I'm the Chair of the Subcommittee on Zoning and Franchises. I want to introduce the members of the Committee who are here with me today. To my far right, Diana Reyna, Jimmy Vacca, on my right Al Vann, Dan Garodnick and Vincent Ignizio. Did I forget anyone? I don't think so. To my right, Counsel Christian Hylton. And let me just give you the update on what the plan is for today, since we have a lot of visitors here today. We are going to do some business, we have some Committee business first. We have some sidewalk cafés that are going to be considered first. Then we have a franchise agreement with DOITT, and then we will move into 15 Penn Plaza. 15 Penn Plaza, the way that will work is the applicants will make a presentation, a PowerPoint presentation I see, which will be probably for a while. There will be

1  
2 questions asked and answered, and then we will  
3 have panels for and against the project. Those  
4 people will be limited to three minutes each. So  
5 those of you who are testifying for or against  
6 that project should try to limit your remarks to  
7 three minutes, and without further ado we're going  
8 to move ahead to the sidewalk cafes. The first  
9 item is ... all right, the first item is in Speaker  
10 Quinn's district, it is Land Use #166-20105571, it  
11 is called Groove, and who do we have on behalf of  
12 Groove? Come on up, find your way past the model  
13 and to the table. And this is Robert Callaghan, I  
14 believe. And if you could just restate your name  
15 for the record when you start, and discuss your  
16 application.

17 MR. CALLAGHAN: Yes, my name is  
18 Robert Callaghan of Michael Kelly, Inc., my  
19 address is 136 Waverly Road, Scarsdale, New York,  
20 and I'm here representing Groove Enterprises Inc.  
21 at 125 Macdougall Street. Earlier today we had  
22 previously submitted a letter to the Council, I'd  
23 like to read that letter into the record, if I  
24 may. "Dear Council Member Quinn, this letter  
25 should serve as our agreement with the Chair,

Council Member Mark Weprin, and the encompassing members of the Subcommittee on Zoning and Franchises that we will commit to the following.

1. The café shall be set up according to the approved sidewalk café plan, 2. We will provide staff members with a copy of that plan so they can set up the café accordingly, 3. We will serve the sidewalk café from the back door only, as per our agreement with Manhattan Community Board #2. If there are any questions, please call my office.

Thank you, sincerely, Michael Kelly."

CHAIRPERSON WEPRIN: Thank you. I understand that Speaker Quinn has discussed this with you, and she is okay now with this café?

MR. CALLAGHAN: Yes she is.

CHAIRPERSON WEPRIN: Terrific. Any of the members have questions for this gentleman? Seeing none, we thank you very much.

MR. CALLAGHAN: Thank you.

CHAIRPERSON WEPRIN: Oh, okay. Okay, thank you. All right, now the next item is Land Use #167-20105585, Smorgas Chef, also in Speaker Quinn's district, and as luck would have it, you're representing them as well.

1  
2 MR. CALLAGHAN: Yes I am. And also  
3 on this café, we had submitted a letter, which I  
4 would like to read into the record. "Dear Council  
5 Member Quinn, this letter should serve as our  
6 agreement with the Chair, Council Member Mark  
7 Weprin, and the encompassing members of the  
8 Subcommittee on Zoning and Franchises that we will  
9 commit to the following. 1. There will be no  
10 window service from the public sidewalk, 2. The  
11 planter on West 14<sup>th</sup> Street side of the café will  
12 be removed, 3. The café on West 12<sup>th</sup> Street side  
13 will be set up according to the submitted plans,  
14 4. There will be no sidewalk café service prior to  
15 noon on Sundays. If there are any questions,  
16 please call my office. Thank you. Sincerely,  
17 Michael Kelly."

18 CHAIRPERSON WEPRIN: Thank you  
19 again. Again, once again, the Speaker, who is the  
20 Council Member for that district, is okay with  
21 this at this point, with this read into the  
22 record. I've been advised that there is a fire  
23 escape issue which they're going to send us a  
24 revised plan.

25 MR. CALLAGHAN: Yes, we will ... when

1  
2 the café is set up according to plan, the fire  
3 escape ladder will no longer be an issue, so we'll  
4 submit a copy of that plan to you.

5 CHAIRPERSON WEPRIN: Thank you very  
6 much. Any members have any questions? Seeing  
7 none, we thank you very much once again.

8 MR. CALLAGHAN: Thank you very  
9 much.

10 CHAIRPERSON WEPRIN: Is anyone here  
11 from Watawa in Astoria? We are going to put that  
12 item over. So whenever we meet again, till we  
13 meet again, Watawa Café, that is Land Use #168, we  
14 are going to put that one over. So the next item  
15 is the mobile telecommunications services  
16 franchise agreement. We'd like to call on members  
17 of the Department of Information Technology, Bruce  
18 Regal, Brett Sikoff and Stanley Shor, are they  
19 here? Okay, they are in the overflow room. Just  
20 give us a second while we gather them up.

21 Gentlemen, make your way to the table if you can,  
22 don't hit anything, mess up everything. If you  
23 could all please state your name for the record,  
24 give another brief description of the plan, and  
25 what changes are in this plan to address the

1  
2 concerns that were raised by members of this  
3 Committee some time ago.

4 MR. SHOR: Good morning, Chairman  
5 Weprin and members of the Committee, my name is  
6 Stanley Shor, I'm Assistant Commissioner for  
7 Franchise Administration at the Department of  
8 Information Technology and Telecommunications.  
9 With me is Brett Sikoff, who's the Director of  
10 Mobile Telecomm Franchises, and Bruce Regal from  
11 the Law Department. This authorizing resolution -  
12 thank you - this authorizing resolution is a  
13 reauthorization, we had been authorized, I think  
14 it's twice in the past? To issue franchises for  
15 mobile telecomm franchises, which is basically the  
16 installation of facilities on lampposts and  
17 utility poles to allow for the placement of  
18 antennas and related equipment that facilitates  
19 wireless communication in the city. So the last  
20 time we were here, there were a number of concerns  
21 raised regarding the existing scenario that we  
22 had, and we wanted to address those. So we  
23 drafted language that addresses those, if you like  
24 I can recite the language, or do you want just the  
25 quick description?

CHAIRPERSON WEPRIN: You can just give a quick description, you don't have to read it word for word, but if you could describe what it does and the issue it addressed.

MR. SHOR: Okay. The first issue is the issue of notification to the affected communities. We have created a new provision that the Department will give notice prior to the installation of a facility on a pole that is within ten feet of a building, that we give at least fifteen days, fifteen business days notice to the community board. We also give notice to the City Council person for that area. So this is to make sure that in situations where the installation is clearly going to be close to somebody's building, that there's notice and the opportunity to comment. Another provision that we've added to make sure that service is provided beyond the core of Manhattan, we have created a provisions that there will be zones that the franchisees will pay considerably less to the city for installations outside of Manhattan below 96<sup>th</sup> Street and the two additional zones, the lowest being for the areas that have the lowest service.

1  
2 So that would be economically feasible for small  
3 companies to serve those areas. There's provision  
4 regarding compliance with FCC emissions standards,  
5 that we make it clear that we will be requiring  
6 the compliance, and that we will have provisions  
7 that they will have to pay for testing, to make  
8 sure that they comply with those provisions. Also  
9 there's considerable interest in what we are doing  
10 with regard to minority and women owned  
11 businesses. We have added provisions to require  
12 that whenever we do a request for proposal or  
13 other solicitation, that certified minority-owned  
14 business enterprises and certified women-owned  
15 business enterprises will be sent the request for  
16 proposals. We also will have provisions to  
17 encourage a franchisee when using subcontractors  
18 that work on city facilities, specifically the  
19 city light poles, that there will be terms in the  
20 contract that will be favorable to them, less  
21 expensive to them, if they use the city's  
22 contracting process, which gives a priority for  
23 minority-owned and women-owned businesses. So  
24 that's a quick summary, if you have any questions,  
25 we would be happy to answer your questions.

2 CHAIRPERSON WEPRIN: Just one piece  
3 of business, was there a letter that you submitted  
4 or were supposed to bring?

5 MR. SHOR: There's a letter that  
6 should be to you shortly. The Commissioner was on  
7 vacation, we wanted to get her signature on it.

8 CHAIRPERSON WEPRIN: Okay, and that  
9 letter states what?

10 MR. SHOR: It summarizes all of the  
11 provisions ... well, it doesn't summarize it, it  
12 states them clearly with an explanation of all the  
13 provisions that we would be making changes to.

14 CHAIRPERSON WEPRIN: Okay, and  
15 members of the panel, Ms. Reyna, you want to say  
16 something?

17 COUNCIL MEMBER REYNA: No, it's  
18 okay. Do you want to? I want to just thank DOITT  
19 for going back and reviewing the language that has  
20 been put forward today. The concerns that we had  
21 raised at this Committee perhaps were a practice  
22 that was an oversight then. And I do believe that  
23 moving forward, these are the elements that you  
24 will consider before coming to the Committee, to  
25 be able to regard and assist us in promoting the

1  
2 minority and women's business enterprise  
3 provisions that this Council has worked for to be  
4 able to empower businesses, so that we can have  
5 growth across the board. The particular language  
6 concerning just being able to have community  
7 residents or, you know, the community board, to be  
8 able to have the opportunity for responding to  
9 certain concerns, if any are raised, but just the  
10 level of regard to community is very well  
11 established in this language, and I just hope that  
12 we can continue to work together on this type of  
13 proposal being put forth by DOITT. Thank you.

14 CHAIRPERSON WEPRIN: Chairman  
15 Comrie.

16 COUNCIL MEMBER COMRIE: So I just  
17 want to be clear, the reason that we don't have  
18 the letter is only because you needed to get the  
19 signature of the Commissioner?

20 MR. SHOR: Yes.

21 COUNCIL MEMBER COMRIE: But  
22 everything that you detailed leads to what  
23 exactly? Could you just expound on that a little  
24 bit?

25 MR. SHOR: Okay. What's in here

1  
2 was intended to address the concerns of the  
3 Council members, specifically the concerns about  
4 notice, the concerns about opportunity for smaller  
5 businesses, and the service to areas outside of  
6 the Manhattan core. So the, if there's a specific  
7 provision that you want me to talk more about, we  
8 could talk more about the minority and women-owned  
9 business provisions that we- -

10 COUNCIL MEMBER COMRIE:

11 (Interposing) I just wanted to be sure that  
12 everything that we had talked about is going to be  
13 approved by the city, and that there won't be a  
14 deputy mayor or someone else that says that the  
15 letter should not be approved before the full  
16 Committee votes. And I appreciate that you have  
17 made, you know, steps moving towards insuring that  
18 there is a ... that the MWBE rules that are already  
19 at the city's core are now adopted by your agency  
20 in a larger way, and I appreciate that the issues  
21 that you raised will create more opportunities for  
22 MWBE's to be aware of the contracts. I think that  
23 the key part is getting the information out, so  
24 that all parties can be aware of it. I just want  
25 to make sure that we don't vote, and then

1  
2 afterwards we hear from some lawyer or some other  
3 entity that the letter can't be signed because of  
4 jurisdictional or some cross-pollination or  
5 whatever, that they come up with to find a reason  
6 not to sign the letter. You know, I want to make  
7 sure that there are opportunities created from  
8 this and not ... and a larger need to create a  
9 standard to ensure that any projects are done with  
10 the opportunities for entrepreneurship, employment  
11 and ownership.

12 MR. REGAL: Council Member, all the  
13 changes in the authorizing resolution which we  
14 explained to you when we briefed you, and that  
15 we've explained in the draft of the letter to all  
16 the members, that is the authorizing resolution,  
17 which those changes incorporated, that we're  
18 asking you to adopt and vote on today.

19 COUNCIL MEMBER COMRIE: Okay, so  
20 you're just waiting on the Commissioner to sign.

21 MR. REGAL: The letter itself is  
22 just an explanatory letter, explaining the basis  
23 for those changes, but all the changes that we've  
24 given you are in the- -

25 MR. SHOR: (Interposing) And we are

committed to those changes.

COUNCIL MEMBER COMRIE: Okay, all right, good. I just want to make sure it's not going through another set of lawyers, or another set of- -

MR. SHOR: (Interposing) This is the only lawyer that's- -

COUNCIL MEMBER COMRIE:  
(Interposing) Okay, fine.

MR. SHOR: ... working on it.

COUNCIL MEMBER COMRIE: Or there's some other entity that has to look at it prior to approval. You know, part of our responsibility as legislators and as a city, is to try to stimulate the economy and to create opportunities. And that's really what I'm trying to do here. So I want to thank you for meeting with me, thank you for working on it, and it's a step towards, and I think we need to do more as a policy to look into that in general. But I want to thank you for making as many, as large an effort as you can make under the legal jurisdictions that you do have now. Thank you, Mr. Chair.

CHAIRPERSON WEPRIN: Thank you ...

1  
2 well, it's obvious that we've been joined by  
3 Council Member Comrie, and also Robert Jackson to  
4 my left. Vincent Ignizio has a question.

5 COUNCIL MEMBER IGNIZIO: Yes, very  
6 briefly. This authorizing resolution really  
7 pertains to notification to the community board  
8 and the Council members. What good is that  
9 notification if they can't come to you and say,  
10 "We received this notification, we don't agree  
11 with the placement, we'd like this placement  
12 altered"? Is that authority in this authorizing  
13 resolution?

14 MR. SHOR: When we get comments  
15 regarding a placement and obviously we're going to  
16 review the comments, we're going to look at the  
17 situation, we're going to work with the company.  
18 If there's another location that's more  
19 appropriate for the facility, they will work with  
20 us to move it. And this is ... I mean, obviously  
21 there is competing forces that they want to have  
22 the business, but they also don't want to upset  
23 the community. They want ... basically this is a  
24 business that's trying to operate in the city, so  
25 we've had very good success with them. I don't

1  
2 know that every situation that they ... that it  
3 would be able to be moved, but certainly every  
4 situation is going to be taken very seriously.

5 COUNCIL MEMBER IGNIZIO: Okay.

6 MR. SHOR: And we would look at  
7 that.

8 COUNCIL MEMBER IGNIZIO: All right,  
9 I just wanted to, you know, the authorizing  
10 resolution does not give any authority beyond  
11 informational to both the Council members and the  
12 community board. I just wanted to be clear that  
13 that's what it does and nothing else. So we're  
14 not misleading anybody on this panel or any other  
15 panel, that this is purely a notification  
16 situation, and that we're at the behest of the  
17 agency going forward, should we seek to adopt or  
18 move any particular installation of the mobile  
19 device, correct?

20 MR. SHOR: Correct, but I can  
21 commit to you that we will work very closely with  
22 every Council member that has an issue.

23 COUNCIL MEMBER IGNIZIO: Okay,  
24 thank you very much. Thank you, Mr. Chair.

25 CHAIRPERSON WEPRIN: Any other

1  
2 questions from the panel? Okay gentlemen, thank  
3 you. We'll close, move on from this hearing to  
4 the next item. Is someone here from Watawa Café,  
5 in Astoria? I saw someone walk in, but that's a  
6 no. Okay. So we're going to move to ... well,  
7 actually we're going to vote on these, so we're  
8 going to move to close the hearings on these items  
9 that we've already heard, and we're going to move  
10 to a vote on these items, since the 15 Penn Plaza  
11 project, we will have the full hearing today. We  
12 will not have the vote today. But we will have  
13 the entire hearing, it will give us a chance to  
14 digest what we hear today. So I am going to move  
15 to couple, we're going to move to couple these  
16 land use items, the two cafes, again, Land Use  
17 #166, Land Use #167, and Resolution #191, the  
18 mobile telecommunications services franchise  
19 agreement, those three items are coupled. Watawa  
20 Café is being put off until another meeting,  
21 probably the next meeting. And we move to couple  
22 those and the recommendation is an aye, and the  
23 Counsel, Christian Hylton, will read the roll.

24 COMMITTEE COUNSEL HYLTON: Chair  
25 Weprin.

CHAIRPERSON WEPRIN: Aye.

COMMITTEE COUNSEL HYLTON: Council  
Member Reyna.

COUNCIL MEMBER REYNA: Aye.

COMMITTEE COUNSEL HYLTON: Council  
Member Comrie.

COUNCIL MEMBER COMRIE: I want to  
thank DOITT for their taking the time and effort  
to understand what we were talking about. I did  
meet with them, I did want to make an emphasis on  
trying to create opportunity. They are working,  
as we need to encourage every city agency, to  
allow real opportunities for anyone that would  
like to be an entrepreneur and take advantage of  
city contracting, so I vote aye on all.

COMMITTEE COUNSEL HYLTON: Council  
Member Jackson.

COUNCIL MEMBER JACKSON: Aye.

COMMITTEE COUNSEL HYLTON: Council  
Member Vann.

COUNCIL MEMBER VANN: Aye.

COMMITTEE COUNSEL HYLTON: Council  
Member Garodnick.

COUNCIL MEMBER GARODNICK: Aye.

2 COMMITTEE COUNSEL HYLTON: Council  
3 Member Vacca.

4 COUNCIL MEMBER VACCA: I would just  
5 like to explain my vote. I'm going to vote aye on  
6 all. My concern about resolution 191 was somewhat  
7 addressed by DOITT today. However, the issue that  
8 I'm concerned about really transcends this  
9 resolution. It concerns the installation of  
10 telecommunications equipment, and the fact that  
11 our hands and the City of New York are often tied  
12 because of FCC regulations. The FCC basically  
13 says that you can go ahead and construct cell  
14 phone towers on roofs or across the street from  
15 schools and nursing homes, without doing anything  
16 but get a Buildings Department permit. And time  
17 and time again, when we raised safety issues, or  
18 when we've spoken about the long-term effects that  
19 the installation of much of this equipment may or  
20 may not have, we've been told that the FCC would  
21 not tolerate anything more on the level of  
22 community input than the Buildings Department  
23 permit. So in this case, at least we have a  
24 notification process, although it's not enough,  
25 I'm aware from my experience in this matter that

1  
2 until we move the Federal Communications  
3 Commission, that there's not much more than the  
4 notification process that we can try to get. And  
5 we've had this experience in trying to legislate  
6 these matters here at the Council before. I also  
7 think, lastly, it's incumbent upon DOITT to  
8 promulgate a list of criteria whereby community  
9 boards and community Council people could object,  
10 and I hope that that criteria would be developed  
11 as we go forth. But with that explanation I'm  
12 going to vote aye.

13 COMMITTEE COUNSEL HYLTON: Council  
14 Member Ignizio.

15 COUNCIL MEMBER IGNIZIO: I too  
16 would like to explain my vote, and quite frankly  
17 speak to the concerns of my colleague from the  
18 Bronx, Jimmy Vacca. I don't think the city has  
19 done all it should and all it could with regards  
20 to siting of telecommunication equipment in this  
21 city. All too often, when Jimmy and myself go  
22 into them asking for different provisions to try  
23 to protect children, they've turned a blind eye  
24 and a deaf ear and pointed to the Federal  
25 government. I don't think they've been as helpful

1  
2 and as understanding to the concerns that I've  
3 raised and that Jimmy has raised, and before I  
4 give them additional powers to do more, I'm not  
5 going to put my stamp on allowing these things to  
6 go up when I don't know what they'll do, and/or I  
7 don't know that they'll take into consideration  
8 legislatively the ideas that this Council has. So  
9 with that I vote no on Reso #191 and aye on all  
10 others.

11 COMMITTEE COUNSEL HYLTON: By a  
12 vote of eight in the affirmative, none in the  
13 negative, LU 166 and 167 are approved. By a vote  
14 of seven in the affirmative, one in the negative,  
15 Resolution 191 is approved, and referred to the  
16 full Land Use Committee.

17 CHAIRPERSON WEPRIN: Thank you, Mr.  
18 Hylton. And that will end the undercard, we're  
19 going to move on to the main event. We will now  
20 move on to 15 Penn Plaza, this is Land Use Items  
21 159 through 163, inclusive. And we would like to  
22 call on the following people on behalf of the  
23 applicants, David Greenbaum ... who else have we  
24 got? Is your testimony with the applicant, right?  
25 Well, will the applicants please come forward,

1  
2 take a spot at the table? It's just you, David?

3 MR. GREENBAUM: Yes.

4 CHAIRPERSON WEPRIN: Okay, sit.

5 You can sit or stand, however you want to do it.

6 Just introduce yourself and anyone else who's

7 going to speak. Mr. Greenbaum, anyone else who

8 might speak during the course of our questioning,

9 please identify them before they speak. Or if

10 anyone calls anything out that you're using, you

11 can tell us who said what. Okay? Could we have

12 quiet, please? Please, if they could pass those

13 out, actually, that would be great. Sergeant-at-

14 arms, Nick? If you could pass out these

15 brochures, so we could follow along with the

16 PowerPoint. Whenever you're ready.

17 MR. GREENBAUM: Good morning, all.

18 Chairman Comrie, Subcommittee Chairman Weprin, and

19 honorable Council members, my name is David

20 Greenbaum, I'm the President of the New York

21 Office Division of Vornado Realty Trust, and

22 responsible for a portfolio of some 22 million

23 square feet in 52 separate buildings in New York.

24 On behalf of Vornado, first let me thank you,

25 thank you for allowing us to present our exciting

1 vision for a world headquarters building at 15  
2 Penn Plaza. It's been a culmination of some four  
3 years of working closely with the Department of  
4 City Planning, the MTA, Amtrak and PATH, as well  
5 as numerous other city agencies. We believe the  
6 proposal before you today will greatly enhance the  
7 vibrancy of this important midtown community, have  
8 a significant positive impact on the city as a  
9 whole, add thousands of jobs, and improve the  
10 quality of life for tens of thousands of commuters  
11 in New York who live, work and travel in this area  
12 every day. To begin, a bit of background.

13 Vornado's predecessor in New York, the Mendik  
14 Company, acquired its first property in the Penn  
15 Station area in 1978. Back then, Penn Plaza was  
16 considered a tertiary office market and overlooked  
17 by most real estate investors. However, we  
18 believe that the area's unique access to public  
19 transportation could allow it to develop into the  
20 next commercial business district, and toward that  
21 end Bernard Mendik and I, along with Peter Malkin,  
22 helped found the 34<sup>th</sup> Street Business Improvement  
23 District in the early 1990's. In the three  
24 decades since our first acquisition in the area,  
25

1  
2 Vornado has contributed to the area's resurgence  
3 by supporting the bid and expanding our presence  
4 there. Today we own eleven buildings in Penn  
5 Plaza comprising some eight million square feet,  
6 over a third of our entire Manhattan portfolio.  
7 We believe in this community, and we remain more  
8 committed than ever to our original vision. In  
9 addition to the proposal before you today, we are  
10 working with the State of New York on its plan to  
11 redevelop the Farley Post Office into the Moynihan  
12 train station, as an Amtrak hub. And we are also  
13 working with the Port Authority and New Jersey  
14 Transit on the ARC project, whose major terminus  
15 will sit directly beneath our building at 1 Penn  
16 Plaza. Now on to the Hotel Pennsylvania site.  
17 The site as we refer to it, 15 Penn Plaza, is a  
18 uniquely large, two-acre, 80,000 square foot site  
19 directly adjacent to Pennsylvania Station, the  
20 most extensive transportation hub in North  
21 America. From an urban planning and  
22 sustainability perspective, this makes it a  
23 compelling location for high density, transit-  
24 oriented development, and from a commercial  
25 perspective, these three same conditions: size,

1  
2 proximity to transit, make it an ideal site for a  
3 large corporate headquarters building. It's been  
4 the goal of this city, the Mayor and the City  
5 Council, to encourage large-scale development  
6 adjacent to major transportation hubs. This is  
7 evidenced, of course, by the recent Hudson Yards  
8 rezoning, which allows for dense development up to  
9 a 33 FAR, adjacent to the new #7 line station.  
10 Similarly in the Grand Central district, dense  
11 development is encouraged, with an FAR up to 21.6,  
12 and by comparison, the land use approvals we are  
13 seeking, as it relates to 15 Penn Plaza, including  
14 the full transit bonus, are at an 18 FAR, well  
15 below Grand Central and well, well below what the  
16 Council has recommended and the city sees as the  
17 vision for Hudson Yards.

18 To understand what will happen at  
19 this site, let's now turn to the actual buildings.  
20 Unlike what you may have seen in the press, which  
21 are buildings that are not sculpted and designed,  
22 these buildings were designed by a world-class  
23 architecture firm, Pelli Clarke Pelli, designers  
24 of some of the finest and most recognizable  
25 commercial towers in the world, Petronus Towers in

1  
2 Malaysia, the International Finance Center in Hong  
3 Kong, and of course, the World Financial Center  
4 complex in lower Manhattan. Three years ago at  
5 this time we were on the verge of executing a  
6 major deal with Merrill Lynch to what would have  
7 been its global headquarters at this location.  
8 Unfortunately for us all, the financial crisis  
9 intervened. The single-tenant building that you  
10 see on the left is in large measure the building  
11 that was initially designed by the Pelli team to  
12 serve as Merrill's headquarters. The building you  
13 see on the right was subsequently designed by  
14 Pelli as a multi-tenant version of the original  
15 building, which provides alternative leasing  
16 opportunities, should a large financial services  
17 tenant not materialize. We have often been asked  
18 why now? Why engage in this process when you  
19 don't have a tenant today in hand? The answer is  
20 that the city permitting process, the demolition  
21 of the existing hotel, the design and construction  
22 of a new tower, would require upwards of seven to  
23 eight years from the start through completion, far  
24 too long for a commercial tenant to wait.

25 Undertaking the approvals process now effectively

1  
2 streamlines this schedule by three years,  
3 providing a more realistic time horizon to attract  
4 a major tenant.

5           We've also been asked why a  
6 building of these dimensions. And the answer  
7 turns on the nature of financial services  
8 activities, and requirements for new generation,  
9 state-of-the-art office space. First, these firms  
10 require large, up to 100,000 square foot,  
11 uninterrupted floor place for trading activities,  
12 which can only be created on a large site. The  
13 new Goldman Sachs headquarters in Battery Park  
14 City is a good example of this trading floor  
15 requirement, with six levels that constitute  
16 roughly the same total square footage as the  
17 trading proposed at 15 Penn. Secondly, these  
18 firms and other tenants today require  
19 substantially greater ceiling heights than found  
20 in our much older existing building stock.

21 Although the single-tenant design has only 67  
22 stories, its overall height, at approximately  
23 1,200 feet, is a function of state-of-the-art  
24 modern office space, with increased ceiling  
25 heights needed to accommodate the latest in

1  
2 sustainable office design, including under-floor  
3 air conditioning, cabling and greater light  
4 penetration. As examples, the new Bank of America  
5 Tower, 1 Bryant Park, and the New York Times  
6 building, feature these same state-of-the-art  
7 building characteristics, which truly  
8 differentiate the next generation office buildings  
9 from the older stock.

10 In contract, the multi-tenant  
11 scenario provides flexibility to use the podium  
12 for retail or commercial uses. And of course,  
13 regardless of which building is selected, the  
14 development will be a substantial economic for the  
15 city, producing a net increase of some 7,000  
16 permanent jobs.

17 Let me also spend a minute noting  
18 the design changes we have made to both buildings,  
19 as a result of the input we received from the  
20 community board, Community Board #5, as well as  
21 borough President Stringer. At the request of the  
22 CB we have redesigned the loading docks in both  
23 buildings to a drive-in, drive-out configuration  
24 to address community concerns about trucks backing  
25 up into the street. We have also expanded the

1  
2 sidewalks on both the side streets and along 7<sup>th</sup>  
3 Avenue by adding ten and fifteen feet  
4 respectively, resulting in overall sidewalk widths  
5 of some 23 and 28 feet, nearly double the width of  
6 a standard city sidewalk.

7           We'll also be creating an open  
8 space fund, which will be administered by the New  
9 York City Parks Department in consultation with  
10 the community board, similar to what the 34<sup>th</sup>  
11 Street Partnership has done, dramatically to  
12 enhance the quality of Herald and Greeley Squares.  
13 This open space fund will be used to upgrade the  
14 quality of other open spaces in the surrounding  
15 neighborhood.

16           Now let me turn my attention to the  
17 important package of transit improvements which  
18 accompany our development. Penn Station serves  
19 nearly 500,000 commuters daily. To understand the  
20 scale of Penn Station, it is four times the number  
21 of commuters that come into Grand Central, and  
22 more than twice the volume of the Port Authority  
23 Bus Terminal. Penn Station is the busiest  
24 transportation hub in North America. It of course  
25 is also served by four major subway lines and the

1 PATH trains a block away on 6<sup>th</sup> Avenue.  
2 Shockingly, and as anyone who uses Penn Station  
3 certainly knows, the busiest hub in the entire  
4 City of New York has no integrated underground  
5 connection of concourses feeding it. Unlike the  
6 successful network of passageways serving Grand  
7 Central Terminal and Rockefeller Center, the  
8 underground network at Penn Station barely extends  
9 beyond the station itself, with a significant void  
10 between 6<sup>th</sup> Avenue and 7<sup>th</sup> Avenue. As a result, a  
11 large percentage of people exiting the station  
12 each morning, and coming back into the station  
13 each evening from their offices, have nowhere to  
14 go but the street level. The result is local  
15 sidewalks that are choked with commuters, who  
16 literally spill out onto the streets. What's  
17 interesting is, it was not always that way. In  
18 fact, the centerpiece of our package of transit  
19 improvements is the complete reconstruction of the  
20 old Gimbel's passageway that once connected Penn  
21 Station to the subways and the PATH trains at 6<sup>th</sup>  
22 Avenue. As you can see from those photos, the  
23 original passageway was claustrophobic and only  
24 about nine feet wide and ten feet high, and of  
25

1 course it suffered from security limitations,  
2 which is why it was closed in 1986. We are now  
3 fully reconstructing the new passageway to address  
4 these shortcomings. We'll blow out the walls and  
5 drop the floor, so that the new passageway will be  
6 expanded to sixteen feet wide and fourteen foot  
7 high ceilings, introducing retail, real-time train  
8 information and an illuminated art installation,  
9 all of which will activate the space and totally  
10 transform the commuter experience. The MTA  
11 estimates that some ten to twelve thousand  
12 commuters per hour will use this new passageway  
13 during peak periods, significantly reducing the  
14 congestion on the sidewalks above. The result is  
15 a new passageway comparable to the elegant and  
16 efficient passageways at Grand Central and  
17 Rockefeller Center. This new rebuilt passageway,  
18 as well as the proposals by ARC, and in connection  
19 with the Moynihan Station, will ultimately give to  
20 Penn Station what it fully deserves, and that is  
21 an integrated concourse running from 6<sup>th</sup> to 9<sup>th</sup>  
22 Avenues.  
23

24 In addition, we are completely  
25 rebuilding and expanding the capacity of the

1 subway entrances at all four corners of the block,  
2 and including the addition of an ADA elevator at  
3 7<sup>th</sup> Avenue and 33<sup>rd</sup> Street, which will ensure that  
4 families with strollers and anyone who is  
5 physically challenged will have access to the  
6 passageway. Our package also includes important  
7 underground improvements with rationalized  
8 pedestrian flows at 6<sup>th</sup> Avenue, PATH, and address  
9 critical congestion issues on the 7<sup>th</sup> Avenue 1, 2  
10 and 3 subway lines by widening platforms and  
11 constructing new stairs. In its entirety, this  
12 transit improvement package consists of some  
13 twelve different improvements, extending from the  
14 west side of 7<sup>th</sup> Avenue all the way east to Herald  
15 Square and 6<sup>th</sup> Avenue, all of which will be paid  
16 for, constructed, and maintained in perpetuity by  
17 Vornado. This package of improvements was  
18 developed in coordination with the MTA, Amtrak and  
19 PATH, over a three-year period, and it is the  
20 single largest package of transit improvements  
21 ever to be undertaken by a private developer. The  
22 package is a hundred plus million dollars,  
23 excluding soft costs, excluding easements, which  
24 we are granting to the city, and absent this  
25

1  
2 project, 15 Penn Plaza, these much-needed  
3 improvements likely could not happen, due to MTA's  
4 severely-constrained capital budget. This is  
5 truly a public-private partnership at work.

6 In order to make this project  
7 happen, there are five different land use  
8 applications that are before you today: a zoning  
9 map amendment to create a single zoning district;  
10 zoning text amendments to create a mechanism to  
11 modify certain bulk regulations and plan elements;  
12 special permits which also modify bulk regulations  
13 and permit the transit improvement bonus; and  
14 finally, the city will acquire from Vornado, at no  
15 cost, the easements required to widen the  
16 passageway and effectuate the improvements. Bob  
17 Flahive, our land use counsel from Kramer Levin,  
18 will be available, of course, to answer any  
19 technical questions in connection with the land  
20 use actions.

21 Before concluding, I'd like to  
22 address two issues that may be raised later this  
23 morning by other speakers. First, an issue has  
24 been raised whether the existing Hotel  
25 Pennsylvania warrants the status of a New York

1  
2 City landmark. The City Landmarks Preservation  
3 Commission has concluded that the property does  
4 not meet the Commission's criteria for  
5 designation. We at Vornado recognize and  
6 appreciate the interest in the building and its  
7 history, and in conjunction with the Landmarks  
8 Preservation Commission and the City Planning  
9 Commission, we'll be conducting an historical  
10 architectural survey, which will document the  
11 building for the archives of the New York Public  
12 Library and the New York Historical Society.  
13 We'll also be creating a museum-quality display,  
14 reviewed and approved by the Landmarks  
15 Preservation Commission, which will be public-  
16 accessible on the site.

17 On a separate and slightly  
18 different note, you may hear this morning that one  
19 or more private interests concerned with the  
20 proposed building's impact on New York City's  
21 skyline. Let me just digress here for a minute,  
22 because it was interesting coming down the West  
23 Side Highway this morning, I looked east to look  
24 at the skyline of New York from 33<sup>rd</sup> Street, what I  
25 noticed is that the image of the Empire State

1 Building was totally obscured by One Penn Plaza.  
2 One Penn, parenthetically, was developed by the  
3 same interests that own today, and owned then, the  
4 Empire State Building. I'm also somewhat troubled  
5 by the grossly misleading renderings that have  
6 been delivered to the press, that have attempted  
7 to, in significant ways, mislead the public  
8 regarding the quality of our design, and Rocco  
9 Pelli from Pelli Clarke Pelli will be speaking  
10 about the building today, as well as the scale of  
11 this project. The truth is, future as of right  
12 development already slated for Manhattan, both in  
13 the Penn Plaza area and in the Hudson Yards, will  
14 in fact change the city's overall skyline. Today,  
15 some 60% of the commercial buildings in New York  
16 are over 50 years old. In fact, the average  
17 building age in midtown south is 92 years. To  
18 remain competitive with growing cities like Hong  
19 Kong and Shanghai, or even older financial centers  
20 like London, New York will require modern, large-  
21 scale development. There are few remaining areas  
22 in Manhattan in which this kind of vertical  
23 development can still take place. We applaud the  
24 efforts of the administration and the City Council  
25

1 that they have made recognizing this fact in the  
2 recent rezonings of the Hudson Yards area to  
3 facilitate large-scale development. The fact is,  
4 New York City's skyline has never stopped  
5 changing, and I certainly hope it never will.  
6 Look at the skyline of New York circa 1932 in  
7 Grand Central, surrounding the landmark Chrysler  
8 Building, and look at how it's evolved over the  
9 years with a forest of buildings around it, and it  
10 continues to evolve. A similar statement, of  
11 course, can be made for the iconic landmark  
12 Woolworth Building in lower Manhattan, and the  
13 commercial district that now surrounds it. I  
14 leave you with a possible image of our skyline  
15 twenty years from now, with the Hudson Yards  
16 development, Brookfield's Manhattan West  
17 development on 9<sup>th</sup> Avenue, and our 15 Penn Plaza  
18 development. It is indeed a skyline changed, but  
19 change we can and we must be proud of. It's  
20 critical to keep New York at the forefront of the  
21 global economy. We believe our project will  
22 provide critically-needed next-generation office  
23 space, have a significant positive impact on the  
24 city as a whole, create thousands of jobs, and  
25

2 improve the quality of life for tens of thousands  
3 of commuters who travel through the area every  
4 day. New York's best days are ahead of it, not  
5 behind us. We and the members of our project team  
6 will be available and happy to address any  
7 comments or questions that you may have. Thank  
8 you for your patience, your time and your  
9 consideration.

10 CHAIRPERSON WEPRIN: Thank you very  
11 much, Mr. Greenbaum. I was just noticing, perhaps  
12 you should have Mr. Pelli and anyone else you want  
13 to have speak about the project speak now.  
14 Because questions are going to be involving ... may  
15 involve the architecture as well as other things.  
16 I don't know if that works with your plan.  
17 Obviously keep it as short as possible.

18 MR. GREENBAUM: Certainly.

19 CHAIRPERSON WEPRIN: But obviously  
20 the architecture is part of the plan, and we  
21 probably should get that out in the open before  
22 the questions start.

23 MR. PELLI: Thank you, Chairman  
24 Weprin and members of the Committee. I wanted to  
25 speak about the building, but not only about the

1 building, but the building in context- -

2 COUNCIL MEMBER COMRIE:

3 (Interposing) Please identify your name for the  
4 record.

5  
6 MR. PELLI: Oh, I'm sorry. I'm  
7 Rafael Pelli, a partner of Pelli Clarke Pelli  
8 Architects, and we are the architects for the  
9 project. As I say, I wanted to speak not only  
10 about the building, but the building in the  
11 context of the growth and planning for New York  
12 City. It is interesting that 100 years ago  
13 Alexander Cassatt of the Pennsylvania Railroad in  
14 building Penn Station and then later John Jacob  
15 Raskob, who built the Empire State Building, both  
16 openly hoped for this to be the central business  
17 district of New York and to attract many tenants  
18 from downtown, so that this would be the center of  
19 density for New York. But it's quite striking,  
20 looking today, to see how the density really  
21 gathered around Grand Central Station and what we  
22 now know as midtown. And you see that, that the  
23 growth did not happen around these areas. Next.  
24 But we have come to understand, thinking about  
25 city growth, that transportation is essential.

1  
2 It's not just a convenience, but the energy used  
3 by the transportation sector in this country  
4 exceeds the energy used by the commercial  
5 buildings in this country. So thinking about  
6 green cities, beyond just green buildings, the  
7 issue of being next to transportation is central  
8 to growth. And we are seeing in projects around  
9 the world the desire to concentrate density around  
10 transportation. Here you see the major  
11 transportation centers of New York: first and  
12 foremost, Penn Station, which David already talked  
13 about; secondly the Port Authority Bus Terminal;  
14 and then Grand Central Station. But if you look  
15 at that map, it helps explain why - next image -  
16 the city has taken the policy of imagining the  
17 future of growth of the city and its density on  
18 the West Side, near to these great transportation  
19 nodes of Penn Station, and at the Port Authority,  
20 and even extending transportation into these  
21 areas. These are all proposals at the Hudson  
22 Yards and at Manhattan West, and you can see them  
23 in the model as well. Next. The building itself  
24 has been carefully considered, we believe it will  
25 be a very beautiful addition to the skyline. It

1  
2 is sculpted at the corners and at the center. It  
3 is tapered from the center up towards the sky, so  
4 that it creates a more slender profile to the sky.  
5 It is wrapped in very energy-efficient outer  
6 shells that will be carefully considered from a  
7 technical standpoint to keep out the heat, because  
8 the solar heat gain which is one of the main  
9 drivers of energy use in a building. And it is,  
10 in its design, thinking about creating these very  
11 dominant vertical elements at the center of  
12 building, these reveals, these notches, that  
13 become very tall, vertical elements, recall some  
14 of the vertical defining characteristics of the  
15 old spires of New York City. Next. New York  
16 City, like great cities around the world, have  
17 evolving skylines. Actually, it's a lesson that  
18 has been taught by New York, it's really one of  
19 the defining characteristics of New York City, the  
20 flurry of buildings that were built in the '20's  
21 really caught the world's imagination. And great  
22 cities around the world, Hong Kong, Shanghai,  
23 Singapore, have all emulated this, and fought to  
24 expand their skylines, and certainly in areas  
25 particularly where density is essential because of

1  
2 the premium on land. This is actually an image  
3 which shows you many of the proposals which are  
4 currently out on the table for new projects. The  
5 new project at the World Trade Center, the  
6 projects on 9<sup>th</sup> Avenue, some projects which are  
7 already built, all of the ones with red dots  
8 underneath are the proposals. And if all these  
9 proposals are built, our building would be the  
10 seventh tallest building in New York City. We  
11 respect greatly the beautiful architecture of the  
12 Empire State Building, we consciously decided to  
13 stay lower than it. But we believe that this adds  
14 to the skyline and to the overall ensemble of  
15 buildings to the skyline of New York City. Thank  
16 you very much. We'd be happy to answer any  
17 questions you might have.

18 CHAIRPERSON WEPRIN: Thank you.

19 Mr. Greenbaum, is there anyone else you feel needs  
20 to speak now, or forever hold their peace? No,  
21 not forever, actually, but just for a few hours  
22 maybe.

23 MR. GREENBAUM: (inaudible)

24 CHAIRPERSON WEPRIN: Okay. Okay,  
25 if you can please come back, I know we have a

1  
2 number of questions from the panel. Mr. Garodnick  
3 from Manhattan has a question.

4 COUNCIL MEMBER GARODNICK: Thank  
5 you very much, Mr. Chairman. And Mr. Greenbaum,  
6 these questions are really for you. A couple of  
7 them are technical questions, which I'd like to  
8 start with. First off, this is an application  
9 from 401 Hotel REIT LLC and 401 Commercial LLP. I  
10 also note that the materials are from Vornado.  
11 Could you just explain to us what, who we're  
12 talking about here, what is 401 Hotel REIT and 401  
13 Commercial LLP?

14 MR. GREENBAUM: They are the  
15 single-purpose entities, Councilman, that  
16 currently own the land. They are wholly-owned by  
17 the Vornado Realty Trust, 100% owned single-  
18 purpose entities.

19 COUNCIL MEMBER GARODNICK: Okay,  
20 and so the existence of Hotel REIT in the title  
21 here is just that it is a REIT that owns the land  
22 that is wholly owned by Vornado?

23 MR. GREENBAUM: The technical  
24 consideration, for tax purposes a real estate  
25 investment trust has issues in terms of owning

1  
2 hotels, so there is a mama, which is Hotel Penn  
3 REIT, over Hotel Penn LLC, it's a technical tax  
4 requirement under the Federal Tax Code.

5 Ultimately both entities are owned by something  
6 called Vornado Realty LP, which in turn is owned  
7 by the publicly traded company, Vornado Realty  
8 Trust.

9 COUNCIL MEMBER GARODNICK: Okay,  
10 thank you. Also, you presented a couple of  
11 different designs, one for a single tenant and one  
12 for multi-tenant. I understand that at this point  
13 you do not know which route you would be going, if  
14 approved. But can you explain to us the  
15 difference, the need for a difference in design  
16 between the single and the multi-tenant scenario?

17 MR. GREENBAUM: Certainly. In the  
18 single-tenant scenario, the building rises ... let's  
19 see, the one on the right in this light. The  
20 building rises directly on 7<sup>th</sup> Avenue, straight up  
21 from 7<sup>th</sup> Avenue. And the rationale for that is  
22 that the trading base of this building, which is  
23 available for traders, where traders meet in a  
24 current modern environment, is large, open, free,  
25 basically column-free, footprints. The

1  
2 elevating system in this building, you notice,  
3 basically stops above the trading floor. And the  
4 reason for that is, this building is what is  
5 called a shuttle elevator building. So the  
6 shuttle elevators effectively take you through to  
7 the top of the podium of the trading floors, where  
8 you then connect to another set of elevators that  
9 take you ultimately to your office floors. The  
10 rationale, again, for that is so that the  
11 multitude of elevators in the building,  
12 Councilman, do not protrude through the base of  
13 the building, the podium, interrupting the flow of  
14 the trading space. The alternative in the multi-  
15 tenant building, the elevating system actually  
16 is what's called a direct-descent elevating  
17 system, much more traditional. When you came into  
18 this building this morning, you took an elevator  
19 directly up to the 16<sup>th</sup> floor. The same would be  
20 true in that building, and the ability to do that  
21 is because, while the elevating effectively does  
22 constrain the base of the building, it doesn't  
23 have the deleterious impact that it otherwise  
24 would if it related to trading floors.

25 COUNCIL MEMBER GARODNICK: Okay,

1  
2 thank you. And we've gotten materials from a  
3 variety of sources on the application today. And  
4 I took note of a point that was made in a letter  
5 that was sent to Chair Weprin and was cc'ed to the  
6 rest of the Committee, from the Empire State  
7 Building Company, which noted a daylight  
8 evaluation score issue, specifically they note  
9 that the height and setback waivers that are  
10 sought here would have dramatic impact on daytime  
11 skylight, and notes that 75% is the minimum score  
12 required on a daylight evaluation score. Could  
13 you add some light to this, and we certainly can  
14 ask them to do it when they come up, but help me  
15 understand what the minimum score needs to be, if  
16 any, and what the score is here, and sort this out  
17 for me, would you?

18 MR. GREENBAUM: Yeah, let me just  
19 introduce Bob Flahive, Bob is our land use counsel  
20 at Kramer Levin. You know, generally what I would  
21 say to you, Councilman, is the City Planning  
22 Commission worked with us in conjunction, over a  
23 two-plus year period of time scoping this  
24 building, working with what are called spring  
25 points, where the building begins to taper back,

1  
2 working with us, notching this building, and  
3 addressing many of these concerns, and ultimately,  
4 of course, the City Planning Commission  
5 unanimously approved this building. But for some  
6 of these technical questions, let's have the land  
7 use guys talk.

8 MR. FLAHIVE: My name is Robert  
9 Flahive, excuse me, I'm with the firm Kramer  
10 Levin. Now, the daylighting score takes into  
11 account not only the proposed building, but all  
12 other buildings on a zoning lot. In our  
13 particular case, we share a zoning lot with  
14 Manhattan Mall. So we have a whole block from 6<sup>th</sup>  
15 Avenue to 7<sup>th</sup> Avenue. The scores that the Council  
16 Member referenced, which are part of the City  
17 Planning finding, and also it reflects the fact  
18 that the Manhattan Mall is built full on 32<sup>nd</sup> and  
19 33<sup>rd</sup> Streets, which is where most of those waivers  
20 are coming from. In the case of our building, we  
21 are building a base with setting it back ten feet  
22 from both 33<sup>rd</sup> and 32<sup>nd</sup> Streets, to provide  
23 additional daylight. The Manhattan Mall is built  
24 as a street line, so we lose a significant number  
25 of points, about 30 of those points of the 75 are

1  
2 not achievable from our perspective, because of  
3 the existing Manhattan Mall. The waiver on 7<sup>th</sup>  
4 Avenue is only for the single-tenant building,  
5 which Mr. Greenbaum described needs to be pushed  
6 to 7<sup>th</sup> Avenue in order to allow the elevators to  
7 provide clear space for the trading floors. In a  
8 multi-tenant building we're not asking for a  
9 waiver on 7<sup>th</sup>, it's just on 32<sup>nd</sup> and 33<sup>rd</sup> Streets.

10 COUNCIL MEMBER GARODNICK: Okay, so  
11 if I understand you correctly then, the ... is it  
12 accurate to say that as a general matter, a score  
13 of 75% is the minimum?

14 MR. FLAHIVE: Yes, as an average  
15 you have to have a minimum of 75.

16 COUNCIL MEMBER GARODNICK: Okay,  
17 but your point is that because Manhattan Mall is  
18 included in your calculation, and that is ... that  
19 reduces the potential that you could actually  
20 achieve to something like 45%?

21 MR. FLAHIVE: Yes.

22 COUNCIL MEMBER GARODNICK: Off the  
23 bat, is that correct?

24 MR. FLAHIVE: That's correct.

25 COUNCIL MEMBER GARODNICK: 30%?

2 MR. FLAHIVE: It reduces it by  
3 about 30 points of the 75, so 45 would be probably  
4 accurate.

5 COUNCIL MEMBER GARODNICK: So what  
6 is the score that you all would get, including all  
7 applicable calculations here, under your proposal?

8 MR. FLAHIVE: You mean, the score  
9 we would get if the Manhattan Mall were not on the  
10 site? It's a very theoretical question.

11 COUNCIL MEMBER GARODNICK: Okay,  
12 you could give me both, because ... and I'm trying  
13 to understand also what the purpose of the  
14 daylight evaluation score is for our consideration  
15 here, and whether this is ... how significant an  
16 issue this is. But if you could share what your  
17 score is actually, in the application today, and  
18 what it would be without Manhattan Mall, it would  
19 be very useful.

20 MR. FLAHIVE: It might be helpful  
21 if I can explain how the daylight evaluation score  
22 works.

23 COUNCIL MEMBER GARODNICK: Right.

24 MR. FLAHIVE: To give you some  
25 perspective. Typically there's a heightened

1 setback line, this is mapped throughout the entire  
2 city, where when you build a new development, you  
3 have to stay within, it's a line, a theoretical,  
4 imaginary line, that's drawn at the property line.  
5 You start at a base height and then you angle  
6 back. Midtown Manhattan in the early '80's, when  
7 the special midtown regulations were drafted,  
8 decided to do a more theoretical approach, and  
9 it's called "daylight compensation", where you are  
10 required to analyze the zoning law at both the new  
11 building and existing buildings from a variety of  
12 angles in the street, in the middle of the  
13 adjacent streets, the theory being how much of the  
14 sky is being blocked. It's not a sunlight, it's  
15 not a shadow study, it's a theoretical assessment  
16 of how your building fits within the skyline views  
17 from different places. So it's - I don't want to  
18 say it's arbitrary - it's a very complicated  
19 series of algorithms that you have to apply. In  
20 our case, if we did not have the Manhattan Mall, I  
21 would say the safest estimate would be to add 32  
22 to 35 points to our scores, which would bring up  
23 the multi-tenant building from 35 to 72, and it  
24 would bring the single-tenant up from 17 to about  
25

52. Again, the waivers on the single-tenant, we're asking for waivers on 7<sup>th</sup> Avenue, because the building is built flush, as well as 32<sup>nd</sup> and 33<sup>rd</sup> Streets. On a multi-tenant, we're not asking for any waivers from 7<sup>th</sup>, but we're asking for similar waivers from 33<sup>rd</sup> to 32<sup>nd</sup> Street.

COUNCIL MEMBER GARODNICK: Okay, so without the calculation of Manhattan Mall, you get up to 72% in one of the scenarios, 52% for the-

MR. FLAHIVE: (Interposing)  
Approximately.

COUNCIL MEMBER GARODNICK:  
Approximately.

MR. FLAHIVE: We didn't score it for the-

COUNCIL MEMBER GARODNICK:  
(Interposing) For the daylight evaluation score. Okay, so let me then go to the issue, which I think is on a lot of people's minds, and certainly has gotten a lot of attention on the subject of proximity to the Empire State Building. Now, we all recognize the fact that New York needs to evolve and grow, and the particular importance of having commercial development near prime

1  
2 transportation hubs. But I guess my question for  
3 the team here is, is there a location that would  
4 be, in your view, too close to the Empire State  
5 Building for it to be acceptable or appropriate  
6 for us to be considering? I know your view is  
7 that this is not, but is there a proximity that is  
8 too close?

9 MR. GREENBAUM: A couple of  
10 comments. First, let me just come back to the  
11 scores that Bob was just talking about, and just  
12 again emphasize what I said earlier, and that is,  
13 as part of the sidewalk widening, in connection  
14 with our project, the sidewalks around the project  
15 will be well in excess of double normal city  
16 sidewalks, 28 feet and 23 feet. So let me turn to  
17 your question, which I think was, you know, how  
18 close is too close. We do have a statutory  
19 provision for the City Planning Commission, City  
20 Environmental Quality Review Act. It is something  
21 that is considered by the CPC, and of course by  
22 yourselves in the Council. Pursuant to that  
23 statute, a local law, CEQRA requires an  
24 environmental impact statement regarding any  
25 potential adverse environmental effects and the

1  
2 statute provides that you must do a study with  
3 respect to historic resources that are within 400  
4 feet of a new development. The Empire State  
5 Building is approximately a thousand feet from 15  
6 Penn Plaza, the equivalent of four city blocks.  
7 Our final EIS in conjunction with City Planning  
8 did in fact consider the entire 34<sup>th</sup> Street  
9 corridor, river to river. And ultimately the  
10 Landmarks Preservation Commission received from  
11 City Planning a historic resource analysis and an  
12 urban design chapters which were reviewed by the  
13 Landmarks Preservation Commission and unanimously  
14 approved by City Planning. So, I don't know that  
15 I can answer the question as to how close is too  
16 close, but I will say that as it relates to the  
17 statutory provisions of CEQRA, there is a formal  
18 provision regarding historic resources within 400  
19 feet.

20 COUNCIL MEMBER GARODNICK: Well,  
21 you certainly have answered legally, perhaps. So  
22 let me, maybe I should ask the question of the  
23 architect, Mr. Pelli. Because certainly there is  
24 a buffer zone here that would at least intuitively  
25 feel appropriate when you're dealing with a

1 historic landmark like the Empire State Building.  
2 So my question for you is, we understand what the  
3 legal delineation is. Maybe it's 400 feet, the  
4 question then would be for you, you know, does 402  
5 feet or 405 feet fit the bill? Would you be  
6 designing a building that was that close, or is  
7 there something that we should be thinking about  
8 here that there is a line and help us understand  
9 where that is.

11 MR. PELLI: There is no one answer  
12 to that, because there are a series of different  
13 considerations. From the standpoint of being  
14 inside the building, as a user of the building,  
15 what you look to do is to have access to daylight,  
16 most of all, first and foremost. And that's  
17 become newly prioritized, when you consider the  
18 energy consequences of artificially lighting a  
19 building. You can really offset a lot of the  
20 energy use of a building, typically office  
21 buildings' lighting consume about 30% of the  
22 energy for the building. With newer systems that  
23 are daylight-balanced and that can dim when you  
24 have plentiful daylight, you can really downsize  
25 the use of lighting in the building. So access to

1  
2 daylight is from a quantitative and qualitative  
3 standpoint really, I think, the most important  
4 thing for the user. What we have done and others  
5 have done, when you design two tall buildings in  
6 tandem, and you remember the old World Trade  
7 Center, what they had done, they were put  
8 diagonally in relationship to one another. So  
9 each building, out of each one of the sides, you  
10 had clear views, you had access to daylight. They  
11 weren't looking at each other. And I would say  
12 from a practical matter, from a user standpoint,  
13 that would be the first criteria, that you  
14 wouldn't build something directly across from the  
15 World Trade Center, where the two sides are  
16 directly facing one another. Would I say you  
17 could build diagonally across the street? Yes.  
18 From the user standpoint, from a practical  
19 standpoint, access to daylight, you could build a  
20 building diagonally across the street. That would  
21 replicate a condition you see in many tall towers  
22 around the world. The issue of deference to a  
23 historical building is a much more personal one.  
24 I think everyone greatly values the historical  
25 quality of the Empire State Building. The

1  
2 greatest-loved towers in New York City include  
3 also the Chrysler Building and the Woolworth  
4 Building, I would argue that those remain greatly  
5 loved, beautiful, historical buildings, even  
6 though they are in districts which have grown much  
7 around them. I think the biggest issue is that it  
8 can maintain a little bit of air around it, and I  
9 would say primarily not to build directly across,  
10 from an urban design standpoint.

11 COUNCIL MEMBER GARODNICK: Well, I  
12 appreciate the answers, and Mr. Chairman, thank  
13 you for the opportunity to kick it off.

14 CHAIRPERSON WEPRIN: Thank you, Mr.  
15 Garodnick. Mr. Ignizio has a question.

16 COUNCIL MEMBER IGNIZIO: Yes, I  
17 just have a brief question. I'll start off by  
18 saying to my belief that a widely-known comment in  
19 the financial sector is if you don't move, you're  
20 dead. And quite frankly, I believe this city does  
21 in fact need to move forward, or there's plenty of  
22 places in greener pastures throughout ...  
23 particularly with the enhancements in  
24 communications that are very welcoming. You need  
25 only look across the river at New Jersey and see

1  
2 what they're building, and I think that's an  
3 important situation. Now, with regards to  
4 landmarking, I am not a person that believes we  
5 should be landmarking over the objection of  
6 ownership, but here we have a situation where now  
7 the members of the Zoning Committee are being  
8 asked to look at the area not only in landmark,  
9 but the area around the landmark, so particularly  
10 in midtown Manhattan. The question I have is  
11 regarding the MTA enhancements or improvements.  
12 Did they require, or are you required to provide a  
13 timeline for those improvements, such that we're  
14 not seeing a building go up and then not seeing  
15 the improvements open up right around the same  
16 time, if you understand what I'm saying? You  
17 know, what would be terrible, quite frankly, would  
18 be is if you did get your approvals, you do build  
19 this building, and you're still in construction  
20 for the mass transit improvements, which are  
21 behind because of timeline, because of permitting,  
22 because the MTA can't get out of its own way, or  
23 any other reason therein?

24 MR. GREENBAUM: Hopefully it's not  
25 the latter, that the MTA can't get out of its own

way.

COUNCIL MEMBER IGNIZIO: It's usually the latter.

MR. GREENBAUM: Thank you. The way the provision works in connection with a transit improvement bonus, is ownership is required to commence, complete and ultimately open all of those transit improvements prior to receiving a certificate of occupancy in connection with the building.

COUNCIL MEMBER IGNIZIO: Okay.

MR. GREENBAUM: So that there is absolute assurance from the city's point of view, and yes, we will wind our way through the MTA and the other agencies, but there's absolute assurance from the city's point of view that all of these improvements will be completed before we ever open a tower on this site.

COUNCIL MEMBER IGNIZIO: Okay, and now I'm asking to get into the mind somewhat of the community board here. But I read their comments in regards to that causeway, that's what I'm calling it, I don't know what you call it, between the underground causeway, that people

1 would only use that during inclement weather.  
2 Perhaps you were at the community board meeting, I  
3 was not, so I can't get in their heads. Can  
4 anybody that you have had done studies on this  
5 substantiate the utilization or usage of this  
6 underground causeway that's greater than the  
7 community board is claiming?  
8

9 MR. GREENBAUM: I believe it's the  
10 MTA itself that has come up with the estimate.  
11 Remember, all of these improvements were in a  
12 sense not conceived of by us as a developer. The  
13 way the process works is we work with the city  
14 agencies, we work with the MTA, we work with PATH,  
15 we work with Amtrak. They dictate to us what are  
16 their requirements, what are their needs, in  
17 connection with upgrading the mass transit access  
18 as it relates to the site. The passageway that  
19 you see will be a free zone, so that no one will  
20 be, you know, required to have paid ... I guess we  
21 don't use tokens any more, to get into the  
22 passageway. And again, it will have the grandeur  
23 of the passageways that we see in midtown, at  
24 Grand Central and Rockefeller Center. The  
25 estimated number of ten to twelve thousand New

1  
2 Yorkers using this passageway during peak hours,  
3 morning and evening, again is an estimate that was  
4 come up with by the MTA itself.

5 COUNCIL MEMBER IGNIZIO: And that  
6 was without regard to weather conditions, that's  
7 throughout the whole- -

8 MR. GREENBAUM: (Interposing)  
9 That's every day.

10 COUNCIL MEMBER IGNIZIO: Okay.

11 MR. GREENBAUM: Just to get an  
12 understanding of what the traffic is that is today  
13 spilling on the streets.

14 COUNCIL MEMBER IGNIZIO: Okay.

15 MR. GREENBAUM: The objective here,  
16 remember, is ultimately to have what the city  
17 really needs, and that is a fully-integrated  
18 passageway.

19 COUNCIL MEMBER IGNIZIO: Sure.

20 MR. GREENBAUM: Running from 6<sup>th</sup> to  
21 9<sup>th</sup> Avenues, of which we become a critical portion  
22 of, and that ultimately the Farley Post Office  
23 project becomes another critical key of, and  
24 that's bringing that all the way to 9<sup>th</sup> Avenue.

25 COUNCIL MEMBER IGNIZIO: When do

1  
2 you make your final decision with regards to what  
3 scope of tower you are going to begin the actual  
4 design on, in terms of single or ... single tenant  
5 or multiple tenants?

6 MR. GREENBAUM: We've been in this  
7 design process now realistically for some four  
8 years, having started working on the single-tenant  
9 building for Merrill Lynch back in 2005, 2006.  
10 You know, the reality is at this point in time, we  
11 basically have design drawings on both buildings.  
12 We will at this point in time basically be seeking  
13 and going into the marketplace for major  
14 institutional tenants. The determination of  
15 ultimately whether we proceed with the single-  
16 tenant or the multi-tenant really would relate to  
17 specifically the nature of the tenant. I will say  
18 to you that most recently, notwithstanding what we  
19 may hear on the news every morning, New York  
20 remains alive, this city is becoming much more  
21 vibrant, and we are sensing that there a number of  
22 financial institutions that have space needs  
23 coming up much later this decade who clearly  
24 recognize the space that they're in, like this  
25 building, really is not suited for major office

1  
2 tenancy. Merrill Lynch has a building down here,  
3 222 Broadway, similar type of asset. Those  
4 buildings don't work today for major institutional  
5 firms like that, and there are a number of tenants  
6 that are looking at their space needs later this  
7 decade who are seriously considering major new  
8 towers in the city.

9 COUNCIL MEMBER IGNIZIO: Well, I'm  
10 fortunate enough to represent an area where the  
11 financial sector is huge, in the southern part of  
12 Staten Island, many people commute there every  
13 day, and I recognize the need. My final question  
14 is in regard to construction economic impact, in  
15 terms of jobs, and ultimately the end of day, in  
16 terms of jobs, working in the building. Can you  
17 articulate some of those for me, and then I'll  
18 reserve the rest of my time for you, Mr. Chairman.

19 CHAIRPERSON WEPRIN: Thank you.

20 MR. GREENBAUM: Go, go. Kate  
21 Ascher has got some technical responses to that  
22 question. Kate is a consultant to Vornado.

23 MS. ASCHER: Sorry, in terms of the  
24 net ... oh, I'm Kate Ascher, as a consultant to  
25 Vornado, and in terms of net new jobs, that nets

1  
2 out the jobs that are already there in the hotel,  
3 it's about 7,000. And in terms of direct economic  
4 impact ... that's full-time jobs. And in terms of  
5 direct economic impact, it's about \$3.3 billion,  
6 and obviously the indirect jobs and the indirect  
7 impact are larger, but we haven't included that.  
8 So we have a full economic impact study of both  
9 towers, actually, if you'd like to see them.

10 COUNCIL MEMBER IGNIZIO: Thank you.  
11 Thank you very much. Thank you, Mr. Chairman.

12 CHAIRPERSON WEPRIN: I'd like to  
13 call on James Vacca from the Bronx.

14 COUNCIL MEMBER VACCA: I just had a  
15 concern about the upzoning that you're requesting.  
16 You are requesting upzoning based on what you may  
17 do in the future. Shouldn't we be concerned that  
18 we are upzoning and creating even further density,  
19 and that the upzoning, the way I understand it,  
20 will be used sometime in the future if you  
21 determine that that's what you want to do, and you  
22 did mention before that there could be a process  
23 that could take two to three years before you  
24 start construction. So isn't this speculative to  
25 upzone a piece of property, not knowing that you

1  
2 will use the upzoning that's provided?

3 MR. GREENBAUM: This process,  
4 Councilman, is based upon the design today of what  
5 I call modern office space. We're not building a  
6 100-story building, we are building a 67-story  
7 building. The upzoning, what it does is, it takes  
8 the entire site, which is currently a 12FAR in the  
9 mid-block and a 15FAR on the avenues, and it makes  
10 it a 15FAR throughout the entire site, and then  
11 raises that to an 18 based off of the transit  
12 improvement bonuses. I think the key from our  
13 point of view, and candidly one would hope, the  
14 key from the city's point of view, is for us to  
15 attract the nature of the tenancy for a building  
16 like this. Again, this building was designed  
17 hand-in-glove with a financial services company at  
18 the time, Merrill Lynch. Of course you're going  
19 to say that we live in somewhat of a different  
20 world today, and we acknowledge that, of course.  
21 But this building was designed specifically to the  
22 requirements of a financial institution similar to  
23 what Douglas Durst has done at One Bryant Park.  
24 The nature of the height of the building is more a  
25 function of modern office space today in terms of

1  
2 the requirements of tenants. So the floor-to-  
3 floor heights of this building are some fourteen  
4 feet six inches, again, virtually identical to  
5 Bank of America Tower, Goldman Sachs, in terms of  
6 modern office space. We are planning for the  
7 future.

8 COUNCIL MEMBER VACCA: I have to  
9 say that the difference in the FAR in a C6 zone  
10 concerns me, it's very substantial. I'm concerned  
11 with vacancies down the line, and the fact that  
12 you may or may not use it is not fully transparent  
13 to residents in that community or to the City of  
14 New York. You have a portfolio of other  
15 properties in the City of New York right now. I  
16 mean, I know of Vornado, Vornado. What is your  
17 current level of vacancies in those properties?

18 MR. GREENBAUM: I believe at the  
19 end of June, hopefully I'm going to quote this  
20 right, our occupancy was at 95.5%, we had a 4.5%  
21 vacancy on our portfolio.

22 COUNCIL MEMBER VACCA: Okay, are  
23 most of your properties in Manhattan or outside?

24 MR. GREENBAUM: Of those  
25 properties, 100% are located in Manhattan. The

1  
2 portfolio in the aggregate is approximately some  
3 22 million square feet.

4 COUNCIL MEMBER VACCA: Okay. What  
5 made you request the upzoning? Because of  
6 something you foresee? Because basically if you  
7 do not upzone it, you would have to come back to  
8 this body at a later date? Am I correct?

9 MR. GREENBAUM: What made us look  
10 at the site ... again, this is an enormous, two-  
11 acre, 80,000 square foot site right at  
12 transportation. Yes, we are upzoning, but let me  
13 again remind you, the upzoning that the city just  
14 approved as it relates to Hudson Yards takes the  
15 FAR in that district up to a 33 times, and again,  
16 Grand Central is at a 21.6 times. Ultimately this  
17 upzoning, taking the midblock from 12 to 15 and  
18 then from 15 to 18, based on the subway  
19 improvement, the transit improvement package,  
20 takes you to an 18FAR. The building is really  
21 designed because of the requirements of tenants.  
22 Ultimately if we build a building where a tenant  
23 can't fully utilize the building, i.e., the tenant  
24 on day one effectively has outgrown the building,  
25 then we've put ourselves in the position where we

2 cannot attract the kind of tenants who hopefully  
3 we can attract to these major, new-generation  
4 classes of office towers.

5 COUNCIL MEMBER VACCA: Okay, thank  
6 you, Mr. Chair.

7 CHAIRPERSON WEPRIN: Thank you. Al  
8 Vann from Brooklyn.

9 COUNCIL MEMBER VANN: Thank you,  
10 Mr. Chair. I just simply want to know what has  
11 been your utilization of WMB so far and what  
12 provisions have you made going forward for  
13 involving the WMB.

14 MR. GREENBAUM: Do you want to talk  
15 about that?

16 CHAIRPERSON WEPRIN: Once again,  
17 please state your name for the record.

18 MS. ASCHER: I'm Kate Ascher, I'm  
19 consultant to Vornado, and there haven't been any  
20 provisions specified, but this entire project will  
21 be built by Vornado, both the building and the  
22 transit improvements, and we could get back to  
23 you, if you want to, exactly what the percentage  
24 is on our normal jobs, in terms of women- and  
25 minority-owned business, contractors, if that's

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the question you're asking. I think it is.

COUNCIL MEMBER VANN: Yeah, it is.  
What is the percentages of the WMB within the  
company itself? Since you don't have any specific  
goals outside of the company.

MS. ASCHER: In terms of the  
company's employees, as opposed to procurement?

COUNCIL MEMBER VANN: (inaudible).

MS. ASCHER: I'll turn that back to  
David, because I'm not really sure I have the  
answer.

MR. GREENBAUM: I'll have to count  
up the number of people in my group. I had a  
party in my house Saturday night and there  
certainly were a distinctly large number of women.  
In fact, when my wife, who happens to be there,  
asked me and she saw a number of women there, she  
said she couldn't figure out whether they were the  
spouse or they were the employee. And it turned  
out, you know, many of them were the employees. I  
would have to get back to you, Councilman, in  
terms of, you know, the total employment base of  
Vornado, and the number of women. I would rather  
not just guess and be wrong, but I would certainly

1  
2 be happy to give you that number. It's quite  
3 extensive.

4 COUNCIL MEMBER VANN: Okay, I'll  
5 have to get back to them when it's time to vote,  
6 unless of course there can be more definitive  
7 information on how women and minorities will be  
8 involved in this great project. It's inadequate,  
9 referring to what your company does and the  
10 accomplishments of your company at this major  
11 development in Manhattan, so I would that there  
12 would be a more definitive role for women and  
13 minority involvement in this project, one that you  
14 can tell me what those numbers are, what your  
15 goals are, and not refer me to your company. And  
16 then you said you don't know the number of your  
17 employees, except for the number of women that  
18 showed up at a party or something. That's  
19 inadequate.

20 CHAIRPERSON WEPRIN: Thank you.  
21 Chairman Comrie.

22 COUNCIL MEMBER COMRIE: Good  
23 morning. I have a question regarding the transit  
24 improvements that you stated. You stated that  
25 these transit improvements were done in

1  
2 conjunction with the MTA and in conjunction with  
3 looking at the long-term needs of the corridor.  
4 And were these the maximum improvements that were  
5 recommended, or was this negotiated down to what  
6 we have today?

7 MR. FLAHIVE: My name is Bob  
8 Flahive from Kramer Levin and, Mr. Council member,  
9 the discussions with the MTA and PATH, who are the  
10 transit operators at Port Authority, New Jersey,  
11 went on for about a two year period. Our initial  
12 proposal was about 60% of what the final package  
13 was, and over time there were additional elements  
14 added. I think as you had seen earlier, our site  
15 itself has several easements at 6<sup>th</sup> Avenue and 7<sup>th</sup>  
16 Avenue, as well as a passageway, which we are  
17 providing easements to the city. Beyond that, the  
18 MTA- -

19 COUNCIL MEMBER COMRIE:  
20 (Interposing) Those easements exist now, right?

21 MR. FLAHIVE: No, not the 33<sup>rd</sup>  
22 Street one. The 33<sup>rd</sup> Street passageway is entirely  
23 in the public right of way. We're giving six feet  
24 depth for the full length of 800 feet, from 7<sup>th</sup> to  
25 8<sup>th</sup> Avenue on our property.

1  
2 COUNCIL MEMBER COMRIE: So you're  
3 increasing the amount, but there's already an  
4 existing passageway, that's what I'm saying.

5 MR. FLAHIVE: The tunnel is a  
6 public right of way, there's a passage, right,  
7 correct.

8 COUNCIL MEMBER COMRIE: Okay.

9 MR. FLAHIVE: But it's not an  
10 easement situation.

11 COUNCIL MEMBER COMRIE: Okay.

12 MR. FLAHIVE: The total amount of  
13 easements is about 19,000 that we're providing to  
14 the city. The initial package focused on those  
15 areas on our lot, and then during the course of  
16 additional negotiations, the Long Island Railroad  
17 and MTA Transit Authority asked us to do  
18 additional improvements in the middle of 7<sup>th</sup> Avenue  
19 at that express platform that comes in, I'm sorry,  
20 if you could show that. And also to widen the  
21 stair on the west side of 7<sup>th</sup> Avenue on what is  
22 actually Amtrak property. I think we'll ... I can't  
23 quite ... oh yes, it shows at the lower left on the  
24 graphic, the new- -

25 COUNCIL MEMBER COMRIE:

(Interposing) Okay.

MR. FLAHIVE: So an additional widening of the platform and additional work within the transit system that's not on our property. It's the lime green to the left, those two arrows. So it was an iterative process, to answer your question.

COUNCIL MEMBER COMRIE: So this proposal is 40% more than what you originally proposed, that's what you said also, correct?

MR. FLAHIVE: Right, that's correct.

COUNCIL MEMBER COMRIE: And looking at this 20 years down the line, just based on something that was said earlier, do you think that this will be adequate to deal with our transit needs 20-30 years down the line? Or will this already be at capacity as soon as it's implementing? Because I think our circulation of, what, 12,000 people a day, or something like that, is that- -

MR. FLAHIVE: (Interposing) 12,000 per hour.

COUNCIL MEMBER COMRIE: 12,000 per

hour?

MR. FLAHIVE: Yes.

COUNCIL MEMBER COMRIE: Is that a max-out of the available space now, or is that just bringing it to what the space ... is that a max-out of the available space, or could you handle more than 12,000 people per hour 20 years from now?

MR. FLAHIVE: As part of the planning process, the MTA and City Planning looked at what they would call the horizon year, the year 2035, and that passageway is adequate to handle at horizon year, as well as the connections at 6<sup>th</sup> and 7<sup>th</sup>. Now, I'm not saying throughout the rest of the system that we are going to have sufficient capacity, but in terms of the improvements we're doing, were sized to look at that horizon year, which is still 25 years from now.

COUNCIL MEMBER COMRIE: And the ARC will be in place by then, or is it ... the ARC will be in place by 2035?

MR. FLAHIVE: Yes sir, I believe it's at 2018.

COUNCIL MEMBER COMRIE: 2018. So

1  
2 they'll have a chance to understand the capacity.  
3 So just to be clear, so these transit improvements  
4 that are requested improvements by the PATH and  
5 MTA, and these improvements are something that  
6 would be done regardless of what final project is  
7 built there, correct?

8 MR. FLAHIVE: Correct, it's the  
9 same set of improvements to each of those two  
10 design options.

11 COUNCIL MEMBER COMRIE: All right,  
12 so the improvements have nothing to do with the  
13 height of the building, you're just asking for the  
14 bonuses because you're doing the improvements.  
15 But technically the improvements need to be done  
16 regardless of whether there's a property built or  
17 not, correct?

18 MR. FLAHIVE: Well actually you  
19 achieve the floor area bonus in the new building,  
20 and in order to achieve that floor area bonus, you  
21 must complete the transit.

22 COUNCIL MEMBER COMRIE: But that's  
23 only because you're building a new building. If  
24 you were keeping the hotel, you'd still have to  
25 make- -

1  
2 MR. FLAHIVE: (Interposing) There  
3 was no obligation- -

4 COUNCIL MEMBER COMRIE:  
5 (Interposing) ... the transit plans. That's what  
6 I'm trying to be clear on.

7 MS. ASCHER: Kate Ascher, I think I  
8 understand where you're going, Councilman, and  
9 you're absolutely right. The transit improvements  
10 would be necessary, regardless of whether we build  
11 a hotel, because the area is heavily congested.  
12 So the plan that was worked out, with this 20/25  
13 year horizon, was worked out with New Jersey  
14 Transit, the Long Island Railroad and the MTA, and  
15 so it incorporates the improvements that are being  
16 made by ARC, it includes east side access, which  
17 is bringing Long Island Railroad trains into Grand  
18 Central, and then some Metro North trains may  
19 actually move into this complex. But the  
20 additional capacity of ARC and the additional  
21 capacity of this passageway will rationalize the  
22 exits from the station over that 25 year period.  
23 So you're absolutely right, regardless of whether  
24 this tower is built, these improvements are  
25 necessary, and unfortunately they're not part of

1  
2 the MTA's capital plan. They're not part of this  
3 plan, and they're not part of the next plan, which  
4 is why the private sector is stepping in to do it  
5 and why the MTA has been so that we build the  
6 tower.

7 COUNCIL MEMBER COMRIE: Well, but  
8 you're also doing it because you realized the need  
9 to attract more people from the metropolitan area  
10 to come and work in that area.

11 MS. ASCHER: That's right.

12 COUNCIL MEMBER COMRIE: So you're  
13 having ... you're realizing a profit down the line  
14 from this by creating more opportunities for more  
15 skilled employees to come from other parts of the  
16 metropolitan area into the 34<sup>th</sup> Street area.

17 MS. ASCHER: That's right, to make  
18 a first-class commercial office space district,  
19 you need to maximize that use of your connection  
20 to both Long Island and New Jersey, and hopefully  
21 this series of improvements does that.

22 COUNCIL MEMBER COMRIE: All right,  
23 so again that wouldn't impact the height, it's  
24 impacting the desire to have a more vibrant  
25 commercial area, with more vibrant ... or with a

1  
2 more ... with a larger outreach to anyone that would  
3 like to work in New York City. So I just want to  
4 understand that.

5 MS. ASCHER: Correct.

6 COUNCIL MEMBER COMRIE: So let me  
7 ask a question that's been intriguing me about  
8 this, what Council Member Garodnick said. I want  
9 to end up re-emphasizing what Council Member Vann  
10 talked to, but let me finish this while it's in my  
11 mind. The daylight evaluation and the whole idea  
12 of the project, why are you doing a glass ... would  
13 it change the daylight evaluation if you were  
14 building a non-totally glass project? And does  
15 the fact that it's a glass façade project impact  
16 the daylight or the skylight evaluation? And why  
17 couldn't it be, you know, gray and foreboding like  
18 a lot of other buildings are in the city?

19 MR. FLAHIVE: The daylight  
20 evaluation is the results of the technical  
21 analysis. We've not taken any credit for it being  
22 a glass building. It's really based on the  
23 massing of the building, and those scores reflect  
24 the fact whether you're a masonry building or a  
25 glass building, or a brick building.

2 COUNCIL MEMBER COMRIE: Okay. And  
3 you said earlier 1 Penn Plaza is not your  
4 building, is that true? That 1 Penn Plaza is not  
5 your property now?

6 MR. GREENBAUM: What I said is 1  
7 Penn is a property that we acquired in 1998, and  
8 previous to that the property was owned by the  
9 same ownership that currently owns the Empire  
10 State Building, in fact was developed by that  
11 ownership.

12 COUNCIL MEMBER COMRIE: Okay. And  
13 just going back to the building and physicality of  
14 the building, you picked a glass façade for what  
15 reason? I'm just curious about that.

16 MR. PELLI: Sure. The issue with  
17 glass is that you want to maximize the penetration  
18 of visible light. And the reason you're seeing  
19 much glassier buildings today than were possible  
20 in the past is that there's been a lot of  
21 evolution in the technical qualities of glass. So  
22 that you have two sheets of glass as an insulated  
23 glass unit, but you have coating on the inside.  
24 And the newest generation of coatings allow you to  
25 allow a lot of visible light in, so that the space

1  
2 can be bright, but keep out a lot of the heat  
3 load. And this has been a constantly evolving  
4 series of technologies with a lot being invested  
5 in it. The goal in a glassy building is to  
6 maximize the amount of visible light in and then  
7 pair that with daylighting, with artificial  
8 lighting systems as I mentioned earlier, which can  
9 dim automatically when you have a lot of daylight.  
10 That system is in place at the New York Times  
11 Building, there was a lot of technical evaluation  
12 by Lawrence Berkeley Laboratories, the Department  
13 of Energy, to try to find optimal ways to both let  
14 in the most amount of light without creating glare  
15 and without creating heat conditions. And that's  
16 what we seek to do, and that's why we sought to  
17 have a very glassy building. It is both glass and  
18 metal, there's an end metal armature which holds  
19 it as well.

20 COUNCIL MEMBER COMRIE: So will  
21 this building be a LEED Gold, or whatever the  
22 highest LEED level is? Because ... or at the most  
23 energy-efficient type of property, since you're  
24 creating an opportunity to lower energy needs by  
25 doing a glass building?

2 MR. PELLI: The ownership- -

3 COUNCIL MEMBER COMRIE:

4 (Interposing) I don't know what the highest LEED  
5 standard is.

6 MR. PELLI: The highest ... there are  
7 four levels of LEED rating, there's LEED  
8 certified, LEED silver, LEED gold, and LEED  
9 platinum.

10 COUNCIL MEMBER COMRIE: All right.

11 MR. PELLI: The ownership has  
12 committed to build this as a LEED silver building  
13 at a minimum. I would say most of the major  
14 tenants we have talked to over the last few years  
15 required it to be a LEED gold as a minimum. I  
16 would expect that that would be the request of any  
17 major tenant that came to us.

18 COUNCIL MEMBER COMRIE: And is it ...  
19 okay, so you're expecting that you would have to  
20 do at a minimum as LEED gold. Would you be  
21 incorporating ... I understand that LEED is changing  
22 their designations to make it more stringent to  
23 meet each level, the silver level, the gold level.

24 MR. PELLI: It has already evolved  
25 considerably in the years we've been here. We

1  
2 ourselves have designed two LEED platinum  
3 buildings here in the city, in the Solaire and the  
4 Visionaire, two residential buildings down in  
5 Battery Park City, and even between the two of  
6 them there was significant change in the LEED  
7 building rating system, which is put out by the  
8 U.S. Green Building Council. There are also  
9 evolving standards which are coming from other  
10 places which may even supplant LEED as the de  
11 factor standard for what a green building is. But  
12 the current generation of LEED, LEED 3.0, has made  
13 energy efficiency a much higher priority and  
14 enacted as prerequisites for energy efficiency,  
15 which were not in the earlier versions of LEED.

16 COUNCIL MEMBER COMRIE: Okay. And  
17 again, when you're creating this type of  
18 structure, and I would move to ... how does it, the  
19 visual impact at night? Are you going to be able  
20 to create different colors at night? Or create  
21 multi-colors or, you know, what ... I am looking at  
22 that, at the night vision.

23 MR. PELLI: Right. What is shown  
24 in the rendering is a representation- -

25 COUNCIL MEMBER COMRIE:

(Interposing) They changed it, he changed it.

MR. PELLI: It really would just  
be- -

COUNCIL MEMBER COMRIE:  
(Interposing) Do you want to go back to that  
slide? Yes.

MR. PELLI: That is a  
representation of the building office floors,  
probably on a winter's day, because it's still  
mostly occupied as dusk is setting, so that might  
be a four o'clock shot on a winter's day. But  
that's really just the light coming from the  
workplace itself. We have not yet looked at  
decorative lighting for the tops or colored  
lightings or any kind of display. This is  
strictly trying to represent the light that would  
shine through the building, a glass building, when  
it's occupied at night. If you look at any of the  
newer glass buildings at night, you see something  
similar to this.

COUNCIL MEMBER COMRIE: So that  
would stay in the skyline pretty visibly if you're  
coming in from a plane or looking from downtown  
or- -

2 MR. PELLI: (Interposing) Yes it  
3 would.

4 COUNCIL MEMBER COMRIE: ... you would  
5 definitely see that illumination.

6 MR. PELLI: Yes it would, but it  
7 would be a different kind of an illumination then,  
8 some of the decorative towers and the Empire State  
9 Building has always done a wonderful job with the  
10 lighting displays and I hope they continue with  
11 that. This will be a very different kind of  
12 effect. And a lot of that, those final design  
13 decisions haven't been made yet, there's obviously  
14 lot of design yet to do, once a tenant is in hand  
15 and some of the detail needs of the tenant are  
16 decided.

17 COUNCIL MEMBER COMRIE: And so that  
18 type of illumination, as you said earlier, would  
19 pretty much be seen from any part of the tri-state  
20 area, correct? On a regular night?

21 MR. PELLI: Yes, and obviously at  
22 the end of the workday, as people leave, all of  
23 these newer generation lighting systems are on  
24 automatic shutdowns and they're zoned so you don't  
25 have to have a floor on. At the end of the

1  
2 workday, as people leave, the building will be  
3 only partially illuminated in the areas where  
4 there are people still working.

5 COUNCIL MEMBER COMRIE: Okay. All  
6 right, I see you're done shuffling cards, so I'll  
7 just ask one or two more questions. First off, I  
8 want to re-emphasize what Council Member Vann said  
9 about the MWBE in effect, that there is not a  
10 knowledge of what your MWBE is. Part of what our  
11 mission is, especially in a negative economy,  
12 where we have city residents unemployed, I'm not  
13 even going to get into the issue of bringing in  
14 more people from the tri-state area, I would like  
15 to see more city residents working in Manhattan,  
16 and not worry about people from New Jersey or  
17 Connecticut, but that's my own personal view,  
18 based on a biased need to see people in my  
19 district fully employed. So, you know, the PATH  
20 issues and the transit issues are important for  
21 the city overall, but for us as Council members  
22 with people in our city that are unemployed and  
23 chronically unemployed, for us to know what the  
24 MWBE issues are for a project as critical and a  
25 company's philosophy and policy regarding MWBE.

1  
2 When you're based in the city, I think it's even  
3 more critical to be presented to us in a much more  
4 detailed way. The opportunities for  
5 entrepreneurship, co-ownership, for people to get  
6 involved in the marketing, if you're a city  
7 resident, or even from the tri-state area, to do  
8 business with Vornado is something that's critical  
9 to us as Council members with residents that don't  
10 live in the tri-state area, but live in districts,  
11 especially districts like mine with a 46%  
12 unemployment level and with people that would love  
13 to be entrepreneurs or have an opportunity to work  
14 in midtown. So I would hope that before we  
15 finalize this project that you come back with a  
16 serious MWBE plan, about what you've done and what  
17 you're doing, so that Council Member Vann and  
18 myself can be more satisfied. And I would ... I  
19 think I've made my point pretty clear, I won't  
20 bang the drum any harder. But clearly there's a  
21 lot that needs to be done. I think that this is  
22 an issue that we might have to continue throughout  
23 every project that starts coming through this  
24 door. Thank you, Mr. Chair.

25 CHAIRPERSON WEPRIN: Thank you very

1  
2 much. The last couple of questions, and then  
3 we'll be wrapping up. Mr. Greenbaum, if you  
4 would, first, on the tenants, potential tenants.  
5 When would that process start of trying to find  
6 these tenants, or have you already started? And  
7 where ... are these tenants definitely going to be  
8 people who currently are in Manhattan, or are you  
9 looking in other states as well?

10 MR. GREENBAUM: The first thing I  
11 would say, Council member, is that we keep a very  
12 close tab in terms of all of the large tenants  
13 that are in New York. In fact, I believe there's  
14 a speaker here this morning from Jones Lang that's  
15 going to be talking about the nature of the office  
16 market and the need for modern space. As I said  
17 earlier, we are in what I would call exploratory,  
18 preliminary discussions with several significant  
19 firms, some of which are looking at potentially  
20 consolidating additional space into New York where  
21 they have locations both in New York as well as  
22 outside, and using this as an opportunity to  
23 consolidate a major headquarters location in New  
24 York. There are, as I said earlier, several  
25 tenants that we've had these very exploratory

1  
2 discussions with. I do remain optimistic that the  
3 reality will be as great as the renderings are of  
4 the building.

5 CHAIRPERSON WEPRIN: And then, I  
6 just want to ask a final note Empire State  
7 Building question. You mentioned about how you  
8 saw the Empire State Building blocked by 1 Penn  
9 Plaza today, but just in general, when you design  
10 ... when this design was made and when your planning  
11 was made, what consideration, if any, did you give  
12 to the Empire State Building? Was it something  
13 you thought about, planned for? Mr. Pelli  
14 mentioned he didn't want to make it higher than  
15 the Empire State Building, but what discussions  
16 were specifically to how it affects the Empire  
17 State Building?

18 MR. GREENBAUM: Two comments. One  
19 is in connection with the design process from day  
20 one, we certainly did respect the iconic nature of  
21 the Empire State Building, as Rafael had said, we  
22 respected that by designing this building some 250  
23 feet shorter than the top of the Empire State  
24 Building. I must say I am somewhat surprised by  
25 the furor that we have seen, kind of last minute,

1  
2 in connection with a process that has been ongoing  
3 for some three years, where a building is located  
4 some thousand square feet ... thousand feet, close  
5 to a quarter of a mile, from the existing iconic  
6 nature of the Empire State Building. I think as  
7 you look around the city and recognize views of  
8 the iconic Empire State Building, whether you're  
9 looking from north, south, east or west,  
10 substantially all of those views are fully intact  
11 and full preserved. I think you can, you know,  
12 take yourself on an axis and look at one building  
13 blocking another building, provided you're  
14 standing effectively in one spot. But I think the  
15 reality is you look at this building, a thousand  
16 feet, I mean, imagine drawing a circle with a  
17 thousand foot radius, it would be a half a mile  
18 circle around the Empire State Building, and  
19 effectively what I think, you know, is being  
20 suggested, that you couldn't build another very  
21 tall building within that half-mile circle around  
22 the Empire State Building. So I think the short  
23 response is, we were cognizant of the Empire State  
24 Building's iconic nature, we respected it. From  
25 an architectural point of view what we did is

1  
2 meticulously sculpt this building as an addition  
3 to the skyline of New York, but we have been  
4 surprised with what we have seen most recently as  
5 it relates to various renderings effectively  
6 claiming that the Empire State Building's iconic  
7 nature would be obliterated.

8 CHAIRPERSON WEPRIN: Okay, that  
9 answers my question. Thank you very much,  
10 gentlemen and lady, we will now continue, so you  
11 can clear out your stuff, you can ... we're going to  
12 move now ... again, we're going to move, do these in  
13 panels. We're going to alternate between those  
14 panels in favor and against, and ... until we run  
15 out of one or the other, and we're going to start  
16 with a panel against, and we're going to bring up  
17 Tony Malkin for the Empire State Building, Peter  
18 Malkin from the Empire State Building, Jerry  
19 Goldfeder from Stroock & Stroock & Lavan and  
20 former Parks Commissioner Henry Stern, who is  
21 here, if somebody can gather him, he's out in the  
22 elevator, I believe, is also going to join the  
23 panel. Now, once again, if I could have quiet  
24 please. Once again, speakers are going to be  
25 limited to three minutes, there will be a clock.

1  
2 I have taken, on my own I have allowed ... Tony  
3 Malkin has asked for permission to speak a little  
4 over that three minute mark, and I have granted  
5 that. His father, Peter, has promised me to keep  
6 his even shorter than three minutes. So in order  
7 to make up for that kindness, but I feel with all  
8 the attention that's been given, it's only fair  
9 not to cut you too short, but, you know, we'll  
10 give you a little bit of a leash. So please, one  
11 at a time, speak, make sure to state your name for  
12 the record, and you can start whenever you can,  
13 Mr. Malkin.

14 MR. ANTHONY MALKIN: My name is  
15 Anthony Malkin, I am with Malkin Holdings. I  
16 thank you for the opportunity to speak today. I'm  
17 President of Malkin Holdings, responsible for  
18 long-term strategy and day-to-day operations of  
19 the Empire State Building, and an owner of the  
20 building. My father, Peter Malkin, is our  
21 Chairman, general partner in the ownership of  
22 Empire State Building Company, the last surviving  
23 original member of the team of my grandfather,  
24 Lawrence Wien and his great friend and partner  
25 Harry Helmsley, who bought control of the building

1  
2 in 1961. You know, there are a few things which I  
3 would like to remark upon, but first I'd like to  
4 commend the city government for recognizing the  
5 importance of viable, sustainable transit-oriented  
6 planning. There is no better place for  
7 appropriate enhanced-development density than  
8 around major transit centers. I would also like  
9 to compliment Vornado for being a terrifically-run  
10 company, I own their stock, and I would recommend  
11 it to anybody else who is listening. Moving  
12 along, I would also like to emphasize that we  
13 support the development area around Penn Station  
14 and further west in the Hudson Yards area. We  
15 won't compete with these people for rent. We rent  
16 for 50% of new construction costs, and we appeal  
17 to a different tenant mix. It will bring us  
18 nothing but benefit, we own another three million  
19 square feet of office in the immediate vicinity.  
20 I would like to point out, however, that I think  
21 we're missing a couple of points here. The first  
22 is this comment that we "came late to the game".  
23 I had private outreach to Mike Fascitelli, Steve  
24 Roth. I did speak with David Greenbaum once, I  
25 spoke personally with Mike and Steve. I spoke

1 personally with Amanda Burden, who, when we  
2 submitted our written comments to the record I was  
3 told that our comments were too late and they  
4 would not be considered. In fact they were not  
5 too late, and in the end they were just ignored.  
6 We are only late in the game in going public. It  
7 was our hope not to turn this into a public  
8 spectacle, but so be it. We've got to do what  
9 we've got to do, as the stewards for this great  
10 icon. It is interesting, there a couple of things  
11 which are just factually incorrect. The  
12 transportation is not the major source of consumer  
13 of energy for ... in cities. 80% of the energy  
14 consumed in New York City is consumed by  
15 buildings. In fact 20% of the buildings consume  
16 80% of that energy, so 64% of all energy in New  
17 York City is consumed by 20% of the buildings.  
18 And glass is passé, glass and mass is the most  
19 energy-efficient way to go. That's not what I'm  
20 here to talk about, but there are some things here  
21 which have been said, which are just incorrect.  
22 I'd also like to point out that the transit  
23 improvements are going to be made anyway. We're  
24 not talking about should there be no transit  
25

1  
2 improvements, and we're not talking about should  
3 there be no building. We support the building  
4 here, we really do. What we're talking about is  
5 the issue of the Empire State Building on the  
6 skyline of New York. We were told it would make a  
7 difference to bring people in support of our  
8 testimony today. There will be some people here,  
9 but I'd like to point out that many people have  
10 spoken already, Community #5, Board #5 has voted  
11 36 to 1 against this project. A poll on the  
12 Municipal Arts Society's website as of this  
13 morning, about 2,004 people responding, 71% to  
14 29% against the construction of this project as  
15 proposed. But more specifically, a poll conducted  
16 professionally by the firm of Penn Schoen and  
17 Berland sampled more than 700 New Yorkers in a  
18 scientific poll, the results which are being  
19 distributed to the Subcommittee today has the  
20 following highlights. New Yorkers treasure the  
21 city skyline, 95% of New Yorkers say the skyline  
22 makes them proud to be a New Yorker. More than  
23 2/3 of New Yorkers, 69%, said it matters to them  
24 if 15 Penn Plaza detracts from the Empire State  
25 Building on the Manhattan skyline. Two thirds,

63%, believe the City Council should reject the 15 Penn Plaza project altogether, or require that the 15 Penn Plaza proposal be amended to include setbacks and decrease the building's height. 97% of New Yorkers say the Empire State Building is the building that most defines the New York City skyline. I would also like to point out that, as far as beloved buildings, the Chrysler Building is beloved, but the poll discloses that 86% of New Yorkers deem the Empire State Building the most beloved building, 4% prefer the Chrysler Building, and it goes down from there to build 100. Moving along quickly here, I'd like to point out that after we did our local poll, we commissioned Penn Schoen and Berland to perform a national poll. Visitors are critically important to the economic well being of New York City. In a poll of national visitors, which will be released shortly after this session, it's only been tabulated just this morning, 92% say that seeing the Manhattan skyline makes them excited to visit New York and 2/3 say that it would matter to them if 15 Penn Plaza detracts from Empire State Building's contribution to the Manhattan skyline. The

1  
2 results are clear, when people learn about 15 Penn  
3 Plaza and the prospect it presents, they do not  
4 like it. The issue is not the exactness of our  
5 renderings. We did not have all the time and the  
6 data from the work that was done by Pelli Group to  
7 do this, we used Beyer Blinder Belle to put this  
8 together, the mass is the issue, and the sheer  
9 walls. And this is not just a local phenomenon  
10 we're talking about here, or is it? Do we want  
11 Hong Kong? Do we want Shanghai? Do we want  
12 Beijing? Is this what we're about in New York  
13 City, we measure ourselves against sprawl and no-  
14 controlled development whatsoever? I'd like to  
15 discuss the issue of the CEQR, 400 feet is in fact  
16 what's suggested in the CEQR, except if there is  
17 an important historical asset which should ... or  
18 resource, which should be considered. The Empire  
19 State Building is the largest Landmark, with a  
20 capital 'L', in the City of New York. I think  
21 that that merits going beyond the 400 foot radius.  
22 Has there been a decision to change permanently  
23 the iconic skyline of New York to the detriment of  
24 its largest and most famous landmark? If there  
25 has been such a decision, was the broad vote taken

1  
2 that 15 Penn Plaza is the vote to do it? Is there  
3 not an argument that a better process exists for  
4 the end of the image of New York City, which  
5 billions of people around the world hold dear,  
6 night or day. I'll leave with two final thoughts,  
7 if I may, please. One, other people's words carry  
8 this discussion further. The New York City  
9 Planning Commission, which has approved this  
10 building, also reduced the height of the Jean  
11 Nouvel Hines MoMA Tower on 53<sup>rd</sup> Street, a full  
12 twenty city blocks, one mile away from the Empire  
13 State Building. In doing so, it raised the  
14 question of what a project needs before it "merits  
15 being in the zone of the Empire State Building's  
16 iconic spire". Even City Council Speak Chris  
17 Quinn, in speaking about gardens in New York City,  
18 on the protection of the city's community gardens,  
19 used the Empire State Building's iconography to  
20 make a point in an op ed piece published last week  
21 in the New York Times. "Gardens are as much a  
22 part of our city as the Empire State Building or  
23 Times Square". We have no complaint about the  
24 Hudson Yards, we're looking for really significant  
25 development in the Penn Plaza area. We will

1 benefit significantly economically from it. But  
2 the question is, is this the building? One Penn  
3 Plaza has been referenced. One Penn Plaza is a  
4 lot shorter than 15 Penn Plaza, much shorter. We  
5 are aware that there will be taller buildings in  
6 New York, taller than the Empire State Building.  
7 We recognize that, we support that. That is good,  
8 and that is healthy. But do we sacrifice  
9 ourselves? It is in the City Council's hands, and  
10 we greatly appreciate everyone being in here in  
11 August to discuss this matter. I leave this one  
12 thought with you as a reminder. The more people  
13 learn about this, the more they don't like it.  
14 And it's very consistent, it's about just over 2/3  
15 to just under 1/3, to reject or amend. We don't  
16 advise rejecting, we ask for amendment. 800 to  
17 850 square feet with setback ... 800 to 850 feet in  
18 height with setbacks should allow a very, very,  
19 very large multi-million - maybe not 2.88 - on the  
20 site of the Hotel Pennsylvania. We're not looking  
21 to kill this project, we're looking to support it  
22 correctly. Thank you.

24 CHAIRPERSON WEPRIN: Thank you, Mr.  
25 Malkin. I wanted ... Jerry, I promise you now we

1  
2 are going back to the three-minute clock, it will  
3 be enforced. So gentlemen, please state your name  
4 as you go. Mr. Malkin, would you just state your  
5 name again, and then please try to keep it within  
6 three minutes, Starquest, even you.

7 MR. PETER MALKIN: Hi, my name is  
8 Peter Malkin, Chairman Comrie, Committee Chair  
9 Weprin, and other members of the Council, thank  
10 you very much. Two quick thoughts before I start,  
11 that I was struck with when I got in here. One, I  
12 looked at the calendar and found that it was eight  
13 pages of changes in the zoning code in order to  
14 permit this building. The second thing is, I went  
15 to the men's room, and across from the men's room  
16 are two large photographs of the Empire State  
17 Building, iconically placed. I had a privilege of  
18 a lifetime of involvement in New York City  
19 institutions, I'm the longest-living board member  
20 of Lincoln Center for the Performing Arts in its  
21 history. I was the founder and chair of two of  
22 the three business improvement districts that I  
23 helped to found, including the 34<sup>th</sup> Street  
24 Partnership and the Fashion Center Partnership,  
25 and the Grand Central Partnership. These three

1  
2 business improvement districts in midtown  
3 Manhattan surrounding the Empire State Building  
4 and Penn Station, and for the last 50 years I have  
5 been part of the ownership of the Empire State  
6 Building. Like you I care about our city and I  
7 appreciate the opportunity to speak with you today  
8 about why we need to reconsider the height of the  
9 15 Penn Plaza. When you think of New York City,  
10 there are two internationally-recognized symbols  
11 that come to mind: the Statue of Liberty and the  
12 Empire State Building, and only one of these is in  
13 the skyline. Although we have had vigorous, even  
14 dramatic, real estate development in New York for  
15 the last century, the crown of the city's skyline  
16 has seen only a handful of major changes, and in  
17 each time, whether it was the World Trade Center  
18 or the Freedom Tower now being undertaken, there  
19 was broad public participation in the decision.  
20 These have been multi-year efforts that brought  
21 together the public, land use experts, urban  
22 planners to ensure that we reached a consensus on  
23 how to maintain the integrity, history and  
24 iconography of the city. So I ask you, when and  
25 by whom was the decision made to change the New

1  
2 York skyline for 15 Penn Plaza? Certainly it was  
3 not made when Community Board #5 voted 36 to 1  
4 against it. Do you believe New Yorkers  
5 collectively decided, or were even aware, that  
6 bonuses and waivers are proposed to allow 15 Penn  
7 Plaza to rise almost 50% higher than its  
8 entitlement as of right. By the way, Mr.  
9 Greenbaum said it was 34 feet ... excuse me, he said  
10 it was 250 shorter than the Empire State Building,  
11 it's actually 34 shorter than the Empire State  
12 Building. He was including the transmission tower  
13 on top of the antenna. These images tell a  
14 powerful story of change in the day and night  
15 skyline of the city, which would result from  
16 approving 15 Penn Plaza as it is proposed, as you  
17 can see from these two images on either side of  
18 me. As one privileged to be a custodian of a  
19 beloved New York icon, I consider it my personal  
20 responsibility to be present here today to ask you  
21 to reconsider. I respect the rights of property  
22 owners, including our friends at Vornado, but I  
23 believe there has been a failure to expose this  
24 proposal and its consequences, thus a failure to  
25 reach a balance of public and private interests.

1  
2 I sincerely hope this Council, as the city's  
3 representative body, will now restore that balance  
4 by approving 15 Penn Plaza on the condition that  
5 its height be reduced and that setbacks be  
6 required to preserve our beloved skyline identity  
7 for all New Yorkers and the world. Thank you very  
8 much.

9 CHAIRPERSON WEPRIN: Thank you very  
10 much, Mr. Malkin. Mr. Goldfeder.

11 MR. GOLDFEDER: My name is Jerry  
12 Goldfeder, I'm with Stroock & Stroock & Lavan,  
13 counsel to the Empire State Building, and I have  
14 the privilege of reading into the record three  
15 statements, one by a significant property owner in  
16 the area, one by a civic leader, and one by an  
17 architectural expert. First by George Kaufman:  
18 "Dear Speaker Quinn and members of the Council, I  
19 am writing to express my strong opposition to the  
20 15 Penn Plaza project. As you may know, I own  
21 several buildings within the area of this project,  
22 including the Nelson Tower at 450 7<sup>th</sup> Avenue. The  
23 15 Penn Plaza project, as proposed, would be an  
24 assault on the Empire State Building and the New  
25 York City skyline. Allowing this proposed

1  
2 monolithic building, with its proposed height and  
3 lack of setbacks, would fly in the face of  
4 rational planning, and permanently take away a  
5 skyline that is world-renowned. As a nearby  
6 property owner, I cannot fathom why the City  
7 Planning Commission could have approved the  
8 speculative project, such as 15 Penn Plaza, at its  
9 proposed height and by increasing the permissible  
10 floor area, without any discernible setbacks,  
11 knowing full well its impact on the city skyline.  
12 The City Council now has an opportunity to correct  
13 what was clearly an ill-conceived plan that lacked  
14 common sense. As the City Council's Speaker, you  
15 are urged to take leadership role in finding a  
16 solution that will reduce the height of, and  
17 restore setbacks to, this project and protect our  
18 city's landmark skyline from ruin." I also want  
19 to mention that George Kaufman is the Chair of the  
20 Fashion Center Business Improvement District. The  
21 second letter is from Bruce Gittlin, who writes in  
22 his individual capacity, but he also happens to be  
23 the Chair of the 34<sup>th</sup> Street Partnership Business  
24 Improvement District. "As a concerned individual  
25 citizen, I am writing to raise a serious question

1  
2 with regard to 15 Penn Plaza, specifically, why  
3 was the notice to raise questions only sent to  
4 property owners within 400 feet of the project? I  
5 own a building within the area of this project.  
6 The proposed 15 Penn Plaza seems to negatively  
7 impact the skyline that is recognized as a  
8 significant part of New York City around the  
9 world. Granting special bonuses and waivers to  
10 allow this proposed building with its proposed  
11 height and lack of setbacks would not follow  
12 reasonable planning. As a nearby property owner,  
13 I cannot understand why the City Planning  
14 Commission could have approved a project such as  
15 this at the proposed height and bulk without  
16 greatly expanding the forum for questions and  
17 discussion. The City Council now has an  
18 opportunity to correct this situation. I urge you  
19 as the City Council members with key roles in this  
20 matter to take leadership in finding a solution  
21 that will reduce the height and restore setbacks  
22 for this project and protect our city's landmark."  
23 Mr. Gittlin is with GHG Realty Company at 21 Penn  
24 Plaza, right on 34<sup>th</sup>. The third- -

25 CHAIRPERSON WEPRIN: (Interposing)

1  
2 Mr. Goldfeder, your third letter, you're just  
3 going to have to tell us who wrote it and, you  
4 know, if you wanted to say that. I can't have you  
5 go.

6 MR. GOLDFEDER: John Tauranac is an  
7 author of a renowned book on the Empire State  
8 Building, it's called "The Empire State Building:  
9 the Making of a Landmark", and as you can imagine,  
10 he's appalled by this project.

11 CHAIRPERSON WEPRIN: Just ... for  
12 just to clarify, these three letters, these people  
13 know you're reading these into the record?

14 MR. GOLDFEDER: Oh yes, I'm  
15 authorized to do so, and we will hand them up to  
16 you for the record.

17 CHAIRPERSON WEPRIN: Great. Now,  
18 speaking of icons- -

19 MR. GOLDFEDER: (Interposing) Thank  
20 you.

21 CHAIRPERSON WEPRIN: Former Parks  
22 Commissioner Henry Stern.

23 MR. STERN: Thank you. I heard  
24 about this hearing and felt that I should be here.  
25 The Empire State Building is even older than I am,

1  
2 and it's been an icon, yeah, four years, it has me  
3 beat. But when I was a kid I knew about it, and  
4 it always was an important thing, and people would  
5 say, "Go jump off the Empire State Building". In  
6 fact we even kept track of some of the people who  
7 did. The building is very special, I think of the  
8 movies that have been built around it, "An Affair  
9 to Remember", and "Sleepless in Seattle", to  
10 mention just two. Of course, the biggest and best  
11 of them all, best known of all, this is something  
12 that's remarkable, I just think of the romances,  
13 but this one too, "King Kong". That's true, with  
14 Fay Wray. I mean the city allowed Penn Station to  
15 be destroyed, the World Trade Center was  
16 tragically destroyed. I think we ought to keep  
17 whatever landmarks we have left. I remember that  
18 I was a member of the City Council and Jackie  
19 Onassis was there as we saved Grand Central  
20 Station from having a building thrust upon it,  
21 which would have obliterated the view. I just  
22 think that this is an important emotional and  
23 sentimental place people like. It happens to be  
24 beautiful as well, as a work of architecture, as  
25 is the Chrysler Building. If the law required

1  
2 this other building to be built, it would be too  
3 bad, but that's America. It's private property,  
4 so you can build on it. But if the law has to be  
5 changed and contorted in five places at the  
6 discretion of the City Council to allow the  
7 building to be built, you have the right to  
8 exercise that discretion and decide that the  
9 building should be modified. It's clear that it  
10 should be, precisely how much or in what direction  
11 I can't, I'm not an architect. But I know that a  
12 freestanding, solid block, 1,200 foot structure in  
13 that place would do irreparable harm to the beauty  
14 of the City of New York, just as they wanted to  
15 put one next to the Eiffel Tower. It's just not  
16 the right thing to do, and we look at the  
17 discretion of the elected officials to be able to  
18 stand up and say no.

19 CHAIRPERSON WEPRIN: Thank you, Mr.  
20 Stern. Actually, let me ask the first question,  
21 because they're always jumping on me. But, Mr.  
22 Malkin, I know ... either Mr. Malkin, but I was  
23 going to Anthony. You mentioned how you support  
24 the idea of development on this project. But  
25 you're afraid that this will somehow obstruct the

1  
2 view of the Empire State Building, as well as some  
3 other factors. If you support the project, I  
4 mean, what is the height? The question that Henry  
5 Stern had, what is the height that you would like  
6 to see removed in order to make this satisfactory  
7 to you and the Empire State Building people?

8 MR. ANTHONY MALKIN: I think  
9 fortunately technology has advanced well beyond  
10 the time at which One Bryant Park was designed,  
11 that it's quite possible to have all of the modern  
12 amenities and structural and technical  
13 requirements fulfilled in a building which does  
14 not have the same either height of mechanical  
15 floors or distance from slab to slab. I think  
16 it's eminently reasonable to consider that even  
17 the existing structure, the existing size, could  
18 be amended if we wanted to go sheer wall and  
19 maximum bulk, down to 800, 825 feet. But I do  
20 think that the real issue here, as I have said  
21 before, is that this is an issue of a size 22 foot  
22 and a size 12 shoe. And the reason the building  
23 looks the way it looks is because it's just bloody  
24 big. And the issue becomes, from our perspective,  
25 800 to 825 feet, with setbacks, is probably a good

1  
2 place to be. I would emphasize, we are for the  
3 development of this site. I do believe the  
4 process that took place here is, first people  
5 said, "We want to landmark the Hotel  
6 Pennsylvania", and then people fought against this  
7 particular building. I'm not concerned about the  
8 view from my building, I'm concerned about the  
9 legacy, we're concerned about the legacy for New  
10 Yorkers and people of the world, with this  
11 building being so impacted.

12 CHAIRPERSON WEPRIN: I understand.

13 MR. PETER MALKIN: Could I just add  
14 to that?

15 CHAIRPERSON WEPRIN: Yes.

16 MR. PETER MALKIN: The other Mr.  
17 Malkin.

18 CHAIRPERSON WEPRIN: Sure, Mr.  
19 Malkin.

20 MR. PETER MALKIN: Yes. There was  
21 a reference to One Penn Plaza, which I was a  
22 partner in building. When we built One Penn  
23 Plaza, we were very conscious of the Empire State  
24 Building, and the bulk of One Penn Plaza runs east  
25 to west, so it doesn't block the view of the

2 Empire State Building from New Jersey and from the  
3 west side. This building runs north to south, a  
4 full front block, and that's a huge difference.  
5 And One Penn Plaza is one half the height of the  
6 proposed 15 Penn Plaza.

7 CHAIRPERSON WEPRIN: I also wanted  
8 to ask, I mean, you referenced how you don't want  
9 to, you know, you don't want to model ourselves  
10 after Asian countries, that this is New York. But  
11 I believe the reference to those other countries  
12 was the idea of modern office buildings, and the  
13 need for modern office buildings. We've been told  
14 that, I mean, New York City is definitely an  
15 ageing ... it has a lot of ageing buildings, do you  
16 agree it's important to have many new modern  
17 buildings that would encourage new businesses to  
18 come in, or to help keep existing businesses here?

19 MR. ANTHONY MALKIN: I think we  
20 absolutely need a stock of new construction. I  
21 think that repurposing of existing buildings can  
22 be done successfully, but not for all uses. I  
23 cannot provide a 60,000 or 80,000 square foot  
24 column-free floor at the Empire State Building.  
25 So someone who has a large trading facility and

1  
2 who needs that requirement, it can't be filled.  
3 So I do think that there's a benefit to that.  
4 There is a middle ground between 2.8 million  
5 square feet, up 1,200 foot high, brand-new  
6 monstrosity and something which is more elegant  
7 and still fills the need.

8 CHAIRPERSON WEPRIN: Council Member  
9 Diana Reyna from Brooklyn and part of Queens.

10 COUNCIL MEMBER REYNA: Thank you  
11 very much. I'm curious to understand, the photo  
12 that you have displayed behind you, can you just  
13 explain a little of your perspective from this  
14 point of view? And is this looking at the Empire  
15 State Building from a Brooklyn-Queens cemetery?

16 MR. ANTHONY MALKIN: No, no, no,  
17 that is from a Queens cemetery on that side right  
18 there.

19 COUNCIL MEMBER REYNA: Correct.

20 MR. ANTHONY MALKIN: Absolutely. I  
21 kind of think that's fitting, because that's  
22 pretty much where we're headed with that sort of  
23 modern Batman Gotham image there. These are from  
24 the west, and these are both aerial. These are  
25 both aerial, neither of these is from as far west

1  
2 as in New Jersey.

3 COUNCIL MEMBER REYNA: And in  
4 discussion with our Chair, you were explaining the  
5 density and the negotiation of being able to reach  
6 a median here where density could be reconsidered  
7 and the sleekness of the building, so that it's  
8 not obstructing the view of the Empire State  
9 Building, as it's displayed in these photos. In  
10 comparison to what we received from the  
11 developers, where here you can't see the same  
12 display.

13 MR. ANTHONY MALKIN: Right.

14 COUNCIL MEMBER REYNA: There's no  
15 obstruction.

16 MR. ANTHONY MALKIN: I think the  
17 real point is, number one, that that is a very  
18 artful and best possible representation. Clearly  
19 we did not choose the best representation, the  
20 best perspective. That would not serve our  
21 purpose, nor would it serve theirs, number one.  
22 Number two, clearly it's a benefit for them not to  
23 show their building at night, because at night the  
24 whole thing will be illuminated, as opposed to at  
25 dusk, where it softly glows, and it will be this

1  
2 giant pinnacle illuminated at night. But I think  
3 the most important piece is to step as far away as  
4 one can, and to see it as it's seen coming across  
5 on the train, on the bus, by car, by air, from  
6 around the world, from the west side, from the  
7 east side, from the north. There is a magic to  
8 the fact that the Empire State Building does stand  
9 alone. It shouldn't stand alone without any other  
10 tall buildings in New York, and there will be  
11 taller. But it's a very interesting point in the  
12 survey, when you take a look at it, what you'll  
13 notice, the strongest sentiment, believe it or  
14 not, expressed about the Empire State Building's  
15 position in the skyline of New York, is not from  
16 Queens or Brooklyn, it's from people who work in  
17 midtown. The highest percentage saying, "Don't do  
18 this, it will upset me greatly", are from people  
19 who work in midtown. And by the way, the  
20 percentages are very high outside of Manhattan  
21 itself. But it's the midtown workers who complain  
22 the most.

23 COUNCIL MEMBER REYNA: And if you  
24 had the opportunity to redesign this, your  
25 suggestion would be?

1  
2 MR. ANTHONY MALKIN: Shorter and  
3 with setbacks.

4 COUNCIL MEMBER REYNA: Be more  
5 specific.

6 MR. ANTHONY MALKIN: I believe  
7 that, as I said, 800, 825 feet.

8 COUNCIL MEMBER REYNA: Up to.

9 MR. ANTHONY MALKIN: Correct.

10 COUNCIL MEMBER REYNA: Not decline  
11 it by ... not decrease it by.

12 MR. ANTHONY MALKIN: No, that's  
13 exactly correct, absolutely. No, I think that an  
14 opportunity for people to see at least a portion  
15 of the spire of the Empire State Building. The  
16 comment was made again, 1,450 feet, I don't know  
17 how many people look at the Empire State Building  
18 at night and say, "Wow, how nice to see that  
19 blinking red light on top of what's illuminated,  
20 what's the darkness between?" The antenna is not  
21 illuminated. People consider that the top of the  
22 Empire State Building, the top of the dome, which  
23 is really the top of the 103<sup>rd</sup> floor. Setbacks and  
24 height. But I still think at 825 feet, you've got  
25 a very big building, you compromise a bit on the

1  
2 distance slab to slab, and the size of the floors  
3 at the base, you get more efficient with your use  
4 of mechanical floors. We have in the Empire State  
5 Building full floors with under-floor air  
6 distribution, with wiring and cable under floor,  
7 it's not going to be as elegant as it is in a  
8 brand-new building, but it does work. And our  
9 floors are not that height.

10 COUNCIL MEMBER REYNA: And the  
11 base, if FAR right now is twelve, is that correct,  
12 for this area?

13 MR. ANTHONY MALKIN: Yeah, but my  
14 view is, whatever they can fit elegantly, they  
15 should be able to fit. The density belongs around  
16 the transit-oriented area.

17 COUNCIL MEMBER REYNA: Well.

18 MR. ANTHONY MALKIN: So I don't  
19 have an FAR target.

20 COUNCIL MEMBER REYNA: Twelve is  
21 the base FAR and that equals to what height?  
22 Right. Gail, can you identify yourself?

23 MS. BENJAMIN: Gail Benjamin, there  
24 is no height limit in this district. It's a  
25 twelve FAR base up to, I believe, 14.4, with

1  
2 bonus. And there is no height limit, so depending  
3 on the design, and how the tenant and the  
4 developer want to orient the space, would  
5 determine what the height would be. Obviously, as  
6 the height gets, as it gets taller, in the as of  
7 right scenario, without setbacks or waivers, the  
8 floors would have to get narrower.

9 COUNCIL MEMBER REYNA: And the  
10 upzoning request in this, included in this  
11 application process, is an additional three FAR,  
12 bringing it up to.

13 MS. BENJAMIN: Eighteen.

14 COUNCIL MEMBER REYNA: Right. So  
15 if the ... if the three is not- -

16 MS. BENJAMIN: (Interposing) With  
17 bonus.

18 COUNCIL MEMBER REYNA: ... with  
19 bonus, but over 20% of the transit bonus, which is  
20 of the overall combination of the base and the  
21 upzoning.

22 MS. BENJAMIN: That's correct.

23 COUNCIL MEMBER REYNA: Which brings  
24 it up to 18.

25 MS. BENJAMIN: Yes.

2 COUNCIL MEMBER REYNA: And so if at  
3 any point the 18 is reduced, how does the 20%  
4 transit bonus just applicable to the base of 12  
5 FAR equal out to?

6 MS. BENJAMIN: I can't do those  
7 calculations in my head. If anybody else can do  
8 them in their head, please.

9 COUNCIL MEMBER REYNA: I ask only  
10 because I'm trying to understand the reason for  
11 the upzoning, and I ask that if there's still  
12 considerable conversations taking place where  
13 there is no tenant, and I'm ... what if there is no  
14 use of the granted air rights to then be  
15 transferred over to a different project? Part of  
16 the comments of the community board were the  
17 precedent being set.

18 MS. BENJAMIN: I'm not sure there's  
19 another site to which they could transfer  
20 additional air rights, were they to decide not to  
21 move forward with this project.

22 COUNCIL MEMBER REYNA: I mean, you  
23 can certainly ask the developer if they're here.

24 MS. BENJAMIN: I'm told that the  
25 Manhattan Mall, which is part of this zoning site,

1  
2 they could transfer air rights to that part of the  
3 site.

4 COUNCIL MEMBER REYNA: Okay, thank  
5 you very much.

6 CHAIRPERSON WEPRIN: I'm losing  
7 total control here. All right, thank you.

8 MS. BENJAMIN: I'm sorry.

9 CHAIRPERSON WEPRIN: Mr. Comrie.

10 COUNCIL MEMBER COMRIE: Thank you,  
11 Chair Weprin. I guess I'll just go right in, just  
12 jump right in deep water and be done with it.  
13 What ... how long do you think it would be before  
14 your skyline gets interrupted?

15 MR. ANTHONY MALKIN: I think that ...  
16 I would like to think of New York as something  
17 which continues to evolve, where the skyline is  
18 augmented, as opposed to interrupted. And I do  
19 believe that once you get beyond 1,500 feet, 2,000  
20 feet, you're outside the zone, perhaps, of  
21 limitation, or a zone of limitation. I think the  
22 really important piece here is just that this is  
23 so close, if either of these buildings - and I'm  
24 not suggesting a risk or a fear here - but if you  
25 were to put either of these buildings on its side,

1  
2 it would pierce the other and come out the other  
3 side. I'm not saying that from the perspective of  
4 to install fear, but I am saying, they are  
5 extraordinarily close for two such tall buildings.  
6 So to be clear, I'm not seeking ... you will not see  
7 us here every time a building taller than the  
8 Empire State Building is proposed, it's unique to  
9 this site.

10 COUNCIL MEMBER COMRIE: But you're  
11 saying a 1,000 to 2,000 square feet (sic) is your-  
12 -

13 MR. ANTHONY MALKIN: (Interposing)  
14 I think when you get 1,500 to 2,000 feet away from  
15 the base of the Empire State Building, you're at  
16 that point almost three times, twice to three  
17 times away from the Empire State Building. For  
18 instance, if something large were to happen on top  
19 of the Farley Post Office, the new proposed Penn  
20 Station, that's well outside the zone.

21 COUNCIL MEMBER COMRIE: So just to  
22 follow up, you want to protect the area because  
23 this is beyond this individual project. I'm  
24 thinking two years from now someone else may want  
25 to build a property on 5<sup>th</sup> Avenue or build a

1  
2 property on Park Place, what gives you ... what are  
3 you going to do to provide a benefit to insuring  
4 that this is a ... you're asking for 1,500 to 2,000  
5 square feet (sic) protective zone, is what you're  
6 saying, correct?

7 MR. ANTHONY MALKIN: What I'm,  
8 Councilman ... not Councilman, Comrie, suggesting- -

9 COUNCIL MEMBER REYNA:  
10 (Interposing) Councilman.

11 MR. ANTHONY MALKIN: ... that we  
12 didn't come here to make a legal argument. We  
13 didn't come here, except to appeal to the City  
14 Council's sense of moment and sense of  
15 responsibility, responsibility to the larger  
16 population. I do believe- -

17 COUNCIL MEMBER REYNA:  
18 (Interposing) That's what I'm asking.

19 MR. ANTHONY MALKIN: Yes.

20 COUNCIL MEMBER REYNA: Because  
21 you're asking us, and I'm beyond 15 Penn Plaza in  
22 my thought process here. I'm looking at the  
23 future of the city vis-à-vis the iconic nature of  
24 the city, vis-à-vis how do we protect it, vis-à-  
25 vis, you know, what is being done by those people

1  
2 that are the stewards of our city to provide  
3 benefits back to our city, and how in the negative  
4 economy, in a world where we need more transit,  
5 because like it or not, people want to work here,  
6 from all over the place, that's a reality. Like  
7 it or not, it's expected in 2030 that we're going  
8 to have a larger both working population and  
9 living population in the city. Now, where do we  
10 draw the line? And if we draw the line, what will  
11 be the benefits to us to draw that line? Because  
12 that's really what you're asking, it's beyond any  
13 individual project. You're now asking for iconic  
14 stature, you've referenced the Taj Mahal, you've  
15 referenced some other properties, none of which  
16 are commercial properties, by the way, but we  
17 won't even go down that line. You know, but this  
18 is, you didn't pick any other commercial  
19 properties to reference, to give iconic stature  
20 to, to give protective status. And that's what  
21 you're asking for here today, at the end of the  
22 line. What do we do to insure that the city's  
23 future is protected and enhanced, making sure that  
24 New York City is the financial capital or business  
25 capital or that we can continue our increase of

1  
2 growth as a city, if we're going to look to  
3 protect skylines?

4 MR. PETER MALKIN: Mr. Chairman, I  
5 think as members of the Council you're probably  
6 familiar with the pension rule of 100, where you  
7 take a combination of years of service and age. I  
8 think you've got a rule of 100 on 15 Penn Plaza,  
9 it's a combination of distance from the Empire  
10 State Building and height, and it's only that  
11 combination that we're objecting to. If you have  
12 buildings that are farther away, whether to the  
13 west or the north, we would have no objection  
14 whatsoever. It's the combination of closeness and  
15 height that make this so difficult.

16 MR. ANTHONY MALKIN: And I would  
17 just add that the benefit that New York City  
18 receives from the Empire State Building right now  
19 is that. It is nationally, as the poll data will  
20 release shortly, and within New York City already,  
21 it is the favorite building in the United States.  
22 The AIA did a poll on this in 2007, it was the #1  
23 favorite building in the United States, surpassing  
24 the White House, which was #2. In New York City,  
25 84%, the second vote getter was the Chrysler

1  
2 Building at 4%. So I would put it another way  
3 perhaps, what do you lose by the homogenization  
4 and the Shanghai application, if you will, of the  
5 New York City skyline?

6 COUNCIL MEMBER COMRIE: Shanghai as  
7 in China, you mean?

8 MR. ANTHONY MALKIN: That's  
9 correct, it's an area of ... I use it as a metaphor  
10 because it's an area of significant development  
11 without great plan ... Beijing might be a better  
12 view, perhaps more suited there than here. But I  
13 do understand what you're wrestling with, it's  
14 exactly the question that I would hope that the  
15 City Council would wrestle with.

16 COUNCIL MEMBER COMRIE: Okay, I  
17 think that, you know, that's the base of my  
18 concern. I'll go back and read on this rule of  
19 100, I'm not really that familiar with it. I'll  
20 check that out, but I think that, you know, what  
21 you're asking us to do is beyond any one  
22 particular project. You're asking us to make a  
23 policy decision here. And we have to think of  
24 really what ... pardon me? Right, that isn't  
25 written. And you're asking us to think about a

1  
2 lot of different things beyond one individual  
3 project, and I just want to be clear in my mind,  
4 that's what the question is, not the Penn Plaza  
5 project as an individual entity, but the area and  
6 the nature of what we view as long-term history  
7 and how our city should be portrayed or beautified  
8 by this ... by vis-à-vis the Empire State Building.

9 MR. ANTHONY MALKIN: I think you're  
10 absolutely right, sir.

11 COUNCIL MEMBER COMRIE: All right,  
12 thank you. Thank you.

13 MR. ANTHONY MALKIN: Okay.

14 CHAIRPERSON WEPRIN: Just one thing  
15 I wanted to clarify, just, I'm sorry. You  
16 mentioned about the building and you're glad they  
17 didn't show it at night. Now, my understanding  
18 was by what Mr. Pelli said is that those lights  
19 were all offices that were on, and lights that  
20 were on. If it was late at night, wouldn't most  
21 of those office lights be off?

22 MR. ANTHONY MALKIN: Not at four  
23 o'clock in the afternoon in the winter.

24 CHAIRPERSON WEPRIN: Well no, that  
25 was the point of the picture, it was shown at

1  
2 dusk. But that would probably be high ... you're  
3 right, exactly that. At that point is when  
4 they're probably most lit.

5 MR. ANTHONY MALKIN: I think you'll  
6 see three things. Number one, the buildings are  
7 cleaned at night, so as you remember the old World  
8 Trade Center, hopefully there will be new lighting  
9 programs put in place in this building, I'm not  
10 technically advised as to what they're doing, but  
11 of course what typically happens in New York at  
12 night is that people do work late, particularly in  
13 the financial services area, and those lights do  
14 stay on very late.

15 CHAIRPERSON WEPRIN: All right,  
16 well some would and some wouldn't, and of course  
17 we have to worry about the migrating birds and  
18 whatever happens with those, well. Anyone else  
19 questions? All right, I wasn't asking you, but  
20 Mr. Stern you may add a point, go ahead.

21 MR. STERN: Just one very brief  
22 point.

23 CHAIRPERSON WEPRIN: Yes.

24 MR. STERN: Because I worked for  
25 many years with community boards, and I know that

1  
2 Community Board #5 is the most pro-business, pro-  
3 development board in Manhattan. It's the opposite  
4 of Community Board #2, the Greenwich Village  
5 board. And if this board voted 36 to 1 against  
6 the proposal, that's a pretty good indicator.

7 CHAIRPERSON WEPRIN: Right, they  
8 made some recommendations of what changes they  
9 would have to see, a lot of them were addressed in  
10 the plan. But just duly noted, duly noted- -

11 MR. STERN: (Interposing) The truth  
12 lies somewhere ... clearly it involves some  
13 modification of some sort.

14 CHAIRPERSON WEPRIN: Thank you.  
15 Gentlemen, thank you very much. We're going to  
16 move on now to another panel. Again, we're going  
17 to limit everybody to three minutes and it should  
18 move quicker, I promise. Yes, let's put her up  
19 there too. Kyle Wiswall from Tristate  
20 Transportation, Dan Biederman, 34<sup>th</sup> Street  
21 Partnership, Felix Ciampa and Sarah Johnson from  
22 32 BJ is here, if she's here. No, she's not.  
23 Okay, well I will put this aside, we did get a  
24 letter from Camille Rivera from 32 BJ on this  
25 subject in support of the project, which we will

1  
2 enter into the record. Why don't we bring up also  
3 Hank Kita from BTEA, if Hank Kita is here. And  
4 we'll start that panel. Okay, so we ended up  
5 with three, is that right? Okay, now gentlemen ...  
6 they're all gentlemen? Yes. Gentlemen, if you  
7 could please, again, state your name for the  
8 record, make your statement, please keep it within  
9 the three minutes, and then we'll ask any  
10 questions there may be. Thank you. Go ahead,  
11 whenever you're ready. (crosstalk) They're out  
12 there, it's counterintuitive, from the left.

13 MR. BIEDERMAN: Yes, I'm sorry, I  
14 forgot. Dan Biederman, President, 34<sup>th</sup> Street  
15 Partnership. Our BID has supported at Board #5  
16 and the Planning Commission the various land use  
17 applications requested by Vornado for the  
18 redevelopment of 15 Penn Plaza. If there's  
19 anywhere in midtown where a proposed building of  
20 this size and bulk should be built, it's right  
21 here at this site at Penn Station, at the nexus of  
22 the major transit network, at the center of the  
23 commercial district. Should the multi-tenant  
24 building scenario develop, it's here, a block from  
25 Macy's and down the street from the new JC Penney,

1  
2 where a major new retail space of almost 300,000  
3 square feet would be in demand, and which will  
4 further add to the vitality of our shopping  
5 district. If a single-tenant building is the  
6 direction taken, and a financial firm occupies,  
7 10,000 new employees will occupy the building. We  
8 see that as a good thing. They'll need places to  
9 shop and dine and we have many stores and  
10 restaurants surrounding the site. The long-needed  
11 mass transit improvements will also provide  
12 benefits to our neighborhood. Overcrowded  
13 sidewalks at peak hours will be eased with a host  
14 of circulation improvements. We commend the  
15 reconstruction and reopening of the passageway  
16 under 33<sup>rd</sup> Street, because pedestrians will be able  
17 to move in a wide corridor between Penn Station  
18 and the 7<sup>th</sup> Avenue subway station to the 34<sup>th</sup>  
19 Street-Herald Square subway station, easy access  
20 to PATH at 6<sup>th</sup> Avenue, and in a few years to the  
21 New Jersey transit station will also be possible.  
22 The scope of improvements is impressive, the  
23 platform widenings, the new stairway and the  
24 widened transit entrances among them. All that  
25 being said, we're aware that these concerns have

1  
2 been raised by neighbors, and admittedly late in  
3 the process, about the height of this tower and  
4 obviously we've heard about that for the last  
5 couple of hours. The Empire State Building owners  
6 who raised these objections are owed more credence  
7 because of their enlightened role in improving our  
8 neighborhood. It was mentioned by Mr. Greenbaum,  
9 agreeing to an assessment formula for our BID that  
10 was disadvantageous in the extreme to their own  
11 financial obligations, spending many volunteer  
12 hours helping form that BID and much more. We  
13 also feel, and Mr. Malkin mentioned this, that  
14 they're arguing against their own financial  
15 interests here, because these two buildings will  
16 clearly compete for different types of tenants, as  
17 they said, and the Vornado tower, if built, will  
18 undoubtedly push up office rents in the area and  
19 give the area a new aura. So we're sure we'd be  
20 more pleased than any other civic group in the  
21 room to see this dispute resolved, this is ... when  
22 you have people of the quality of the Malkins and  
23 Vornado quarreling, it's excruciating, and that's  
24 not too strong a word, for the head of the BID who  
25 benefits from both of their efforts. And we hope

1  
2 that will happen. We also have great affection  
3 for Rafael Pelli, who in his earlier days was the  
4 architect of our restaurant at Bryant Park. So  
5 I'm not sure where this ends out, I will note, in  
6 my last nine seconds, I remember the debate when I  
7 was chairman of Board #5 31 years ago, about the  
8 AT&T Chippendale top, and that was consuming the  
9 air waves forever, and the last time I heard it  
10 mentioned was 1985. So as my mentor Holly White  
11 pointed out, people care a lot more about the  
12 lowest twelve feet of the building than they do  
13 most of the time about something that's way that  
14 far in the air. Somehow people have forgotten  
15 about the Chippendale top, it's never mentioned  
16 and the skyline adapted. But that's my own  
17 personal view, and we'd love to see this resolved,  
18 and we have great affection for both parties. But  
19 as the Malkins said, it's a great building for the  
20 neighborhood.

21 CHAIRPERSON WEPRIN: Thank you, Mr.  
22 Biederman. Please continue, and state your name.

23 MR. CIAMPA: I'm Felix Ciampa,  
24 Madison Square Garden. Good morning, Chair Weprin  
25 and members of the Subcommittee on Zoning and

1  
2 Franchises, my name is Felix Ciampa, I am the  
3 Senior Vice President for Government Affairs for  
4 Madison Square Garden. Madison Square Garden is  
5 pleased to testify in support of the redevelopment  
6 of 15 Penn Plaza by Vornado Realty Trust, one of  
7 the largest and most respected owners and managers  
8 of real estate in the United States. Over the  
9 years Vornado has made a significant investment in  
10 the success and prosperity of New York City, where  
11 they own almost 22 million square feet of real  
12 estate, that includes a mix of class A office  
13 space, retail and residential development.

14 Vornado's redevelopment of 15 Penn Plaza will  
15 certainly bring economic benefits, not only to the  
16 immediate Penn Station area, but to New York City  
17 as well. Once the project is underway, the  
18 benefits will be wide-ranging, including many new  
19 construction jobs, and transportation  
20 improvements, both of which will be welcome news  
21 for the local businesses and for New York City's  
22 economy as well. Numerous transit improvements  
23 undertaken by Vornado as part of the project will  
24 benefit businesses, residents, commuters and  
25 visitors to the Penn Station area for years to

1  
2 come. The reconstruction and reopening of the  
3 Gimbel's passageway under 33<sup>rd</sup> Street will do much  
4 to relieve the congestion that now plagues the  
5 east-west streets feeding both the Garden and Penn  
6 Station. The proposed improvements to the subway  
7 system around 15 Penn Plaza will also enhance  
8 access and circulation for subway riders. We  
9 believe the entire community, as well as our  
10 customers, will benefit greatly from the increase  
11 in capacity and rationalization of space  
12 represented by Vornado's subway improvement  
13 package. As a member of the local community and a  
14 corporate neighbor that is embarking on its own  
15 redevelopment project, the transformation of the  
16 world's most famous arena, Madison Square Garden  
17 is happy to lend its support to Vornado on behalf  
18 of our employees, and the millions of fans who  
19 attend events at the Garden each year, and who  
20 will undoubtedly enjoy the many benefits  
21 associated with this project. Thank you for the  
22 opportunity to testify in today's Subcommittee  
23 hearing.

24 MR. WISWALL: Good morning, I am  
25 Kyle Wiswall, I am the general counsel of the

1  
2 Tristate Transportation Campaign. We're a  
3 regional non-profit working for a more sustainable  
4 transportation network. I'm here today to express  
5 Tristate's strong support for Vornado Realty  
6 Trust's transit improvements and development  
7 proposal for 15 Penn Plaza. The Campaign is  
8 particularly excited about the prospect of  
9 reopening the Gimbel's passageway, which connects  
10 the commuter rail lines and subways at Penn  
11 Station with subway and PATH service at Herald  
12 Square. As you know, service streets in the area  
13 are very congested with pedestrian and vehicle  
14 traffic, and transit riders will welcome a safer  
15 and less congested route between these two busy  
16 hubs. I wish I had the time and the ability right  
17 now to show you some of the materials and pictures  
18 that we have of the pedestrian environment in that  
19 area, but essentially during peak hours,  
20 consistently during peak hours, and sometimes  
21 beyond peak hour, people have so little space  
22 because of the sheer volume of people traveling  
23 through that corridor, they're forced into the  
24 street with the traffic, creating very dangerous  
25 situations for both those in cars and those

walking. The improvements include new subway entrances, better signage and lighting, wider station platforms, wider sidewalks, and more street tree plantings, which offer esthetic and mobility improvements for visitors, for commuters and for residents alike. Vornado will make a significant contribution towards these transit improvements, which will allow them to happen in the first place. As we all know, the MTA is facing record budget deficits, and without these contributions these improvements would not be able to be made. The Tristate Transportation Campaign is a strong supporter of transit-oriented development, and believes the proposed office tower's proximity to Penn Station makes it an excellent location choice. There is no better place to encourage development than directly above transit facilities that provide easy access to Amtrak, New Jersey Transit, LIRR, PATH and fourteen subway lines. To be clear, the specific design of the building is outside our area of expertise. We strongly urge you to approve this measure and work with Vornado to make this exciting proposal a reality. Thank you very much

1  
2 for your time.

3 MR. KITA: Good afternoon, I'd like  
4 to thank the Chair and the members of this  
5 Council's Zoning Subcommittee for the opportunity  
6 to provide testimony today. My name is Henry  
7 Kita, and I'm the Senior Vice President of the  
8 Building Trades Employees' Association of New York  
9 City, also known as BTEA. The BTEA is an  
10 organization representing 27 union construction  
11 and trade contractors' associations comprised of  
12 over 1,700 construction management firms, general  
13 contractors and specialty subcontractors building  
14 here in New York City. The BTEA employs the  
15 approximately 100,000 tradesmen and women of the  
16 Building Construction Trades Council of New York,  
17 the BCTC. The BTEA has over the past ten years  
18 been joined in the partnership to advance the  
19 cause of union construction with the BCTC. Simply  
20 put, the BTEA wholeheartedly supports the  
21 application of Vornado to build a new commercial  
22 tower, 15 Penn Plaza, here in Manhattan. In the  
23 view of our members, this is the right development  
24 project at exactly the right time. The  
25 architectural firm of Pelli Clarke Pelli has

1  
2 designed a beautiful structure that would be an  
3 iconic addition to the skyline of New York City,  
4 and we believe that the proposed structure would  
5 complement the Manhattan skyline, just as major  
6 developments such as the New York Times Building  
7 and One Bryant Park have also in recent years.  
8 New York has always prided itself as a dynamic  
9 city and the proposed development of 15 Penn Plaza  
10 represents the continued positive change of our  
11 urban landscape. This construction would also be  
12 a catalyst of the revitalization of the Penn  
13 Station area, as a result of the greatly needed  
14 transit improvements that are included as a part  
15 of the proposed development, as you've already  
16 heard this morning. It's an understatement to  
17 point out that New York City is in strong need of  
18 a development proposal at this point in time.  
19 Clearly the management team at Vornado has been  
20 bold and innovative in bringing forth the  
21 application, the economic benefits it will  
22 generate, just as the developers and owners of the  
23 Empire State Building and the Chrysler Building  
24 thought big in the boom years of the 1920's and  
25 built during the Great Depression. Some naysayers

1  
2 will argue that a major tenant will be difficult  
3 to find for a building the scale of 15 Penn Plaza.  
4 We believe that this type of argument is nonsense.  
5 New Yorkers, and particularly this city, are  
6 anticipating the future needs of our great city.  
7 Our national and local economies are slowly coming  
8 back and new financial and commercial industries  
9 will emerge from this recession, industries and  
10 entities that we may not even be thinking of or  
11 have dreamed of at this point. We know that we  
12 need to prepare for this new global economy as we  
13 begin to exit the recession, and Vornado, we  
14 believe, clearly understands this need and the  
15 associated economic opportunities that can be  
16 realized for our city from this project. I  
17 obviously represent a particular constituency and  
18 in all honesty the proposed project at 15 Penn  
19 Plaza will provide a needed boost to the New York  
20 City construction industry. We are currently  
21 experiencing unemployment rates in the local  
22 unionized construction industry in excess of 30%,  
23 and in some trades up to 40% at this point. This  
24 project will be a significant help in lowering  
25 this high level of unemployment and in the process

1  
2 tremendously assist the local economy. The  
3 members of the unionized construction industry  
4 live here, and over 80% of the construction trades  
5 workforce live in the five boroughs. In closing,  
6 the unionized construction industry as represented  
7 by the BTEA and BCTC is a major part of the core  
8 middle class in New York City. We represent ... we  
9 take pride in our city and pride in our work,  
10 that's why we support quality innovative projects  
11 like 15 Penn Plaza to think big and think future.  
12 We at the BTEA strongly urge that this Committee  
13 likewise support the Vornado proposal at 15 Penn  
14 Plaza.

15 CHAIRPERSON WEPRIN: Thank you very  
16 much. Gentlemen, listen, let me ask a question.  
17 I'm going to ask it of Mr. Ciampa, because I don't  
18 want to give Mr. Biederman any more strife, put  
19 you between the two parties. But, Mr. Ciampa,  
20 what do you think about this argument about the  
21 Empire State Building saying it's too close and  
22 it's blocking our views? I mean, is that a  
23 concern? Is that something that you think should  
24 be a concern?

25 MR. CIAMPA: It's really not

1  
2 something that we think would impact the Empire  
3 State Building. I mean, I haven't really looked  
4 at it from that perspective and we think the  
5 project is totally in the right place for an  
6 office building of this type, as you've heard  
7 people say, transit-oriented development, you're  
8 sitting across the street from Penn Station, and  
9 you know, I think from our perspective we think  
10 it's the right project for that location and will  
11 come with a lot of benefits for the community.  
12 That's sort of where we stand.

13 CHAIRPERSON WEPRIN: I didn't mean  
14 to put you on the spot. Mr. Comrie?

15 COUNCIL MEMBER COMRIE: He looks  
16 like he can handle being on the spot. I like your  
17 tie, by the way. I don't have any questions for  
18 the panel, I just want to thank you for appearing.

19 CHAIRPERSON WEPRIN: That's good,  
20 that's the way to go, just me and you. All right,  
21 thank you very much, gentlemen. We are now going  
22 to call the next panel, see, we're moving right  
23 along now. I'd like to call Wally Reuben from  
24 Community Board #5, if he's here, okay. Andrea  
25 Goldwyn from the New York Landmarks Conservancy,

1  
2 Lisa Ackerman, National Trust for Historic  
3 Preservation, and Robert Barat, if he's here.  
4 Barat, Barat. Let's see, we've got four people  
5 here. One, two, three, four, that's you, Robert.  
6 Okay, good. Once again, we're going to keep you  
7 to three minutes, if you could please state your  
8 name when you start your testimony, and you guys  
9 can decide who goes first, but then we'll move  
10 down the line. And once you're comfortable,  
11 please get started.

12 MS. GOLDWYN: Good day, Chair  
13 Weprin, and Chair Comrie. I'm Andrea Goldwyn,  
14 speaking on behalf of the New York Landmarks  
15 Conservancy. The Conservancy is a private, non-  
16 profit organization established in 1973. We  
17 advocate for landmarks and historic districts. We  
18 often testify on the impact of new construction on  
19 landmarked buildings, and there's no landmark  
20 better known than the Empire State Building. For  
21 nearly 80 years it has stood as one of the highest  
22 peaks on the Manhattan skyline, and it's this  
23 singular visibility that requires a thorough  
24 discussion of whether nearby development will  
25 enhance or obscure it. As a founding member of

1  
2 the Friends of Moynihan Station, the Conservancy  
3 has been involved in the governmental review of  
4 the area around the station, noting both historic  
5 resources and potential development sites, so we  
6 know the area well, and know that several  
7 buildings in addition to 15 Penn Plaza are being  
8 contemplated. We are not opposing a new building  
9 at this site. We recognize the logic of high-  
10 density development in business centers near  
11 transportation hubs. But the Empire State  
12 Building, just two blocks away, is, as we've  
13 heard, a very special landmark. It's hard to  
14 understand how the City Planning Commission in its  
15 report could say that 15 Penn Plaza would not  
16 create an adverse impact on it. The CTC has  
17 already lowered a proposed building on 53<sup>rd</sup> Street,  
18 twenty blocks away, questioning "whether it merits  
19 being in the zone of the Empire State Building's  
20 iconic sphere". City Planning has approved the  
21 stacking of bonuses and waivers of height and  
22 setback requirements, thereby allowing a much  
23 taller, bulkier building than what as the right  
24 zoning would allow. We would ask you to take a  
25 careful look at the discretionary waivers for

1  
2 height and setback and the bonuses requested  
3 today, and consider whether they are appropriate  
4 under the circumstances. We think they are not  
5 because of the adverse impact they would have on  
6 the Empire State Building. The building that  
7 adheres to as of reg zoning would be a far better  
8 neighbor. Thank you for the opportunity to  
9 present the Conservancy's views.

10 MR. REUBEN: Good morning, my name  
11 is Wally Reuben, I'm the district manager for  
12 Community Board #5, thank you for the privilege of  
13 addressing you today on the topic of 15 Penn  
14 Plaza, which is one of the most important  
15 development projects our board has faced in years.  
16 Community Board #5, and its land use and zoning  
17 committee, chaired by Kevin Finnegan, spent  
18 considerable time meeting with the applicants and  
19 reviewing every available document before we voted  
20 36 to 1 to deny this application. Obviously, our  
21 board felt very strongly about this application  
22 and here are the reasons why. First, we think  
23 that the transportation improvements Vornado has  
24 proposed are inadequate. Many of the improvements  
25 are ultimately either self-serving or mandated, or

1 wholly insufficient for the 474,000 square feet  
2 Vornado will receive in exchange. Indeed, as one  
3 of our board members put it, they are akin to  
4 Vornado cleaning up its own basement. Second,  
5 Community Board #5 is deeply troubled by this  
6 applicant's request for a midblock upzoning,  
7 adding yet another 266,000 square feet to a tower  
8 that is utterly lacking confirmed details,  
9 including building size, height, tenancy,  
10 construction timetable and financing plan. The  
11 applicant conceded to us that it could be years,  
12 years, before any development scenario might move  
13 forward, which entirely demolishes the argument  
14 that we should approve this project now as a salve  
15 for our current economic troubles. If the  
16 upzoning were to be granted now, it would remain  
17 with the zoning lot permanently, regardless of  
18 future development plans, or even if the lot is  
19 eventually sold. It is ill-advised from a proper  
20 planning perspective to approve such an upzoning  
21 without a clear rationale for its request. This  
22 upzoning, just blocks from Empire State Building,  
23 will allow Vornado, or whoever might eventually  
24 own the site, to build a building that will change  
25

1  
2 the iconic skyline of New York City forever more.  
3 Such a change must be deeply considered and well  
4 thought out, both in terms of its design and more  
5 broadly, its impact on future land use decisions  
6 in the immediate area. Community Board #5 is not  
7 opposed to development, and we recognize that this  
8 site is appropriate for a large commercial  
9 building. We value the job creation that will  
10 result, not only during construction, but after  
11 the proposed building is complete. But we are  
12 also acutely aware of how the area surrounding  
13 Penn Station is poised to undergo enormous  
14 development, growth and change in the coming  
15 decade. This means that each individual land use  
16 decision will cumulatively contribute to its  
17 transformation. Therefore, we hope that the  
18 ladies and gentlemen of this Committee, and the  
19 Council as a whole, will join us in asking that  
20 Vornado return to the table when their request for  
21 a permanent upzoning has a rationale and a final  
22 finance plan in place. Until such time, we urge  
23 the Council to join with City Planning, the  
24 Moynihan Station Community Advisory Committee, and  
25 Community Boards #4 and #5, to begin to outline a

1  
2 Moynihan Station subdistrict zoning plan and a  
3 future for this area that is both well-considered  
4 and comprehensive. Thank you for your time.

5 CHAIRPERSON WEPRIN: Thank you.

6 Mr. Barat?

7 MR. BARAT: Rob Barat, I'm an  
8 organizer for HOPE, which is a biannual Technology  
9 Conference that takes place at the facilities at  
10 Hotel Pennsylvania. The Hotel Pennsylvania is a  
11 very- -

12 CHAIRPERSON WEPRIN: (Interposing)

13 Just talk right into the mic.

14 MR. BARAT: Can you guys hear me?

15 CHAIRPERSON WEPRIN: Push it again.

16 MR. BARAT: All right now.

17 CHAIRPERSON WEPRIN: Now you're in  
18 business.

19 MR. BARAT: So I'm an organizer at  
20 HOPE, which is a biannual technology conference  
21 that takes unique advantage of Hotel Pennsylvania,  
22 and its central location just across the street  
23 from Penn Station, which is because we have so  
24 many international technologists that come to the  
25 conference, it's a great location for them, with

1  
2 easy transportation. I just wanted to state that,  
3 having the hotel as, to serve the tourist industry  
4 is a lot more socially beneficial than having a  
5 financial industry building, because financial  
6 industry buildings tend to have folks that come in  
7 from the suburbs, and maybe will have an expensive  
8 dinner or two, or an expensive lunch, but that's  
9 about it. That's all they provide for the city,  
10 there's no pension multiplier you get, where if  
11 you have a foreigner come in, they spend every  
12 meal they have, they spend out, they go to gift  
13 shops, and the effect is a multiplying one, and I  
14 think it's much more helpful to the city as a  
15 whole and much more beneficial than any short-term  
16 benefit we'd get from the jobs, the temporary  
17 jobs, of knocking down a building and building one  
18 up, which and then it would just be replaced by a  
19 bank ... by basically a building that would keep  
20 money in the upper classes without having it be  
21 multiplied throughout the economy. Thank you.

22 CHAIRPERSON WEPRIN: Thank you.

23 That was Robert Barat, in case the record missed  
24 that. Please.

25 MS. ACKERMAN: Good morning, it's

1  
2 not morning any more. I'm Lisa Ackerman, I am a  
3 New York State advisor to the National Trust for  
4 Historic Preservation, and I speak on behalf of  
5 the Trust today to express concern about the  
6 proposed tower at 15 Penn Plaza. The National  
7 Trust was chartered by Congress in 1949, and it  
8 leads the preservation movement in the United  
9 States, helping people protect, enhance and enjoy  
10 the places that matter. 15 Penn Plaza is proposed  
11 for a site in close proximity to the Empire State  
12 Building, one of the world's most recognized  
13 landmarks and an iconic feature of the New York  
14 City skyline. Due to that proximity, the proposed  
15 height and massing of 15 Penn Plaza would  
16 significantly detract from the stunning visual  
17 experience of the Empire State Building, and the  
18 New York City skyline. The dynamic evolution of  
19 the New York City skyline is to be embraced, yet  
20 some elements of that skyline are fundamental to  
21 the city's image, instantly conveying New York  
22 City's powerful essence. Just as a city works to  
23 balance new development with protection of its  
24 most treasured landmark, we urge city government  
25 to manage change on the skyline in a way that will

1  
2 conserve its most defining characteristics. The  
3 Empire State Building is a distinguished  
4 architectural statement, and has been so since its  
5 construction in 1931. Because of its distance  
6 from other very tall buildings, viewers can see  
7 much of the height of the building clearly from  
8 places far and near. For New Yorkers, the chance  
9 view through the neighborhoods to the Empire State  
10 Building unites them with others throughout the  
11 metropolis, inspiring pride and reassurance. For  
12 visitors and newcomers approaching the city, the  
13 first sight of the Empire State Building on the  
14 skyline is an electrifying welcome. The beauty  
15 and the power of the Empire State Building's  
16 iconic profile would be diminished if a tower of  
17 nearly equal height and proportions were built ...  
18 were constructed within such close distance.  
19 Midtown can, and should be, targeted for more  
20 intensive, transit-oriented development and  
21 improvements. Even in places where greater growth  
22 is appropriate, some limits are needed to protect  
23 important values. Midtown will still flourish if  
24 new towers are built in ways that are sensitive to  
25 the Empire State Building's distinct place on the

1 skyline. We are not suggesting that this project  
2 not proceed, on the contrary, only that its height  
3 and massing should be reconsidered. Recently in  
4 requiring that the height of the Jean Nouvel-  
5 designed tower proposed for 53<sup>rd</sup> Street be lowered  
6 by 200 feet, the Department of City Planning  
7 acknowledged the importance of managing the city  
8 skyline and protecting views of the Empire State  
9 Building. We think that a similar contextual  
10 approach should be followed in this case, so that  
11 15 Penn Plaza will not detract from the Empire  
12 State Building and diminish one of the most  
13 treasured elements of the New York City skyline.  
14 Thank you for the opportunity to speak.

16 CHAIRPERSON WEPRIN: Thank you very  
17 much. Chairman Comrie has a question.

18 COUNCIL MEMBER COMRIE: For the  
19 community board district manager, I want to thank  
20 you, Mr. Reuben. I want to thank you for your  
21 service, first off.

22 MR. REUBEN: Thank you.

23 COUNCIL MEMBER COMRIE: District  
24 manager, I know, is not an easy job, so I want to  
25 thank you for your service. Community Board #5,

1  
2 did they come up with a recommended height and  
3 setbacks?

4 MR. REUBEN: No, but I think what  
5 we generally thought of is we thought that the  
6 transit bonus, the improvements for the bonus were  
7 inadequate, but we would take that as long as you  
8 denied the upzoning, so that whatever that would  
9 reduce it by, whatever the upzoning would bring,  
10 we would go for that.

11 COUNCIL MEMBER COMRIE: Did you  
12 hear the presentation today about all of the  
13 transit improvements?

14 MR. REUBEN: Yes.

15 COUNCIL MEMBER COMRIE: Was that an  
16 improvement over what they presented at the  
17 community board, or was it the same set of- -

18 MR. REUBEN: (Interposing) The  
19 board when it looked at it in March and April  
20 decided that we did not have, unfortunately, the  
21 expertise, would that we did, to know what would  
22 work, what would work best, what is possible. We  
23 could only take Vornado's word for it, so that we  
24 decided at that time that we would not enter into  
25 a process that even negotiation or saying what we

1  
2 did want, we didn't want.

3 COUNCIL MEMBER COMRIE: Right.

4 MR. REUBEN: Because we felt like  
5 we just simply did not have the expertise for  
6 that.

7 COUNCIL MEMBER COMRIE: But what  
8 I'm asking is, what you heard today, was that the  
9 same presentation of transit improvements that  
10 they told you back in March, or was it enhanced  
11 since the March presentation?

12 MR. REUBEN: I think there were  
13 some minor modifications that did enhance it.

14 COUNCIL MEMBER COMRIE: Okay, and  
15 you haven't had a chance as a community board, as  
16 you just said, to understand even what the need is  
17 so that you could develop a true transportation  
18 improvement plan, but you know that what's there  
19 now is inadequate, and you need to- -

20 MR. REUBEN: (Interposing) Right,  
21 and, well, we know many of the needs, but we  
22 simply don't know what is viable and possible in  
23 many instances. We don't have that kind of  
24 expertise.

25 COUNCIL MEMBER COMRIE: Right. And

1  
2 PATH and MTA, they haven't helped you, you've been  
3 doing this on your own.

4 MR. REUBEN: That is correct.

5 COUNCIL MEMBER COMRIE: And what  
6 about the Tristate Transportation people? Have  
7 they sat with you about transit improvements for  
8 that hub, or anything?

9 MR. REUBEN: No.

10 COUNCIL MEMBER COMRIE: Okay. And  
11 then just finally, I think you heard my question  
12 to Mr. Malkin about, you know, he talked about  
13 1,500 to 2,000 feet buffer. Are you in agreement  
14 with that or what do you think? Should there be a  
15 buffer of 1,500 to 2,000 square feet (sic) to  
16 disallow any buildings of similar height in that  
17 area?

18 MR. REUBEN: Our board ... you know,  
19 I'm speaking representing my board. My board  
20 didn't take a position on that one way or another.

21 COUNCIL MEMBER COMRIE: I see.

22 MR. REUBEN: What our board is  
23 saying is that, without a firm plan, without a  
24 partner, without a financing plan, with a building  
25 that may not go up for another ten years.

COUNCIL MEMBER COMRIE: Right.

MR. REUBEN: That could have another owner ultimately.

COUNCIL MEMBER COMRIE: Right.

MR. REUBEN: It is improper city planning to give an upzoning when there's no rationale, and there is no rationale. When they came before us, we asked them for a rationale, and they couldn't even make one up. They are simply sort of double dipping, they're asking for the transit bonus, and then saying, "Well, throw in the upzoning as well", for the same transit improvements they're going to make. They had no separate rationale for why there should be an upzoning. And what we're saying very simply is they should come back to us when they do have a rationale, when there is a tenant, when there is financing, when there is actual building that they're planning to build.

COUNCIL MEMBER COMRIE: Okay. I'd get more into that, but we're short on time, only that I know Vornado is not the player that's going to go away any time soon. They have a lot of commercial property in the area, so I don't expect

1  
2 that they would be bought out in the next ten  
3 years. But I just wanted to know if you had a  
4 conversation about "the iconic nature of the  
5 Empire State Building", within the board, and if  
6 there was any discussion about a buffer zone as  
7 far as visibility?

8 MR. REUBEN: No there was not.

9 COUNCIL MEMBER COMRIE: Okay.

10 MR. REUBEN: No there was not.

11 COUNCIL MEMBER COMRIE: And there  
12 hasn't been that type of discussion on the board  
13 as of yet?

14 MR. REUBEN: No. No, but- -

15 COUNCIL MEMBER COMRIE:  
16 (Interposing) And that board covers from what  
17 avenue?

18 MR. REUBEN: We go from 14<sup>th</sup> Street.

19 COUNCIL MEMBER COMRIE: Right.

20 MR. REUBEN: To Central Park. From  
21 8<sup>th</sup> Avenue to Lexington.

22 COUNCIL MEMBER COMRIE: To  
23 Lexington.

24 MR. REUBEN: With a few little  
25 carveouts, but essentially that's the district.

1  
2 COUNCIL MEMBER COMRIE: So you  
3 cover most of the zone on 34<sup>th</sup> Street that would  
4 be- -

5 MR. REUBEN: (Interposing) It's all  
6 ours, right.

7 COUNCIL MEMBER COMRIE: Okay.

8 MR. REUBEN: Right.

9 COUNCIL MEMBER COMRIE: Thank you.

10 MR. REUBEN: Sure. And may I just  
11 say that- -

12 CHAIRPERSON WEPRIN: (Interposing)  
13 Please.

14 MR. REUBEN: ... while it may be hard  
15 to conceive right now that somehow Vornado would  
16 need to sell this property, it would have been  
17 hard to conceive just three years ago that Merrill  
18 Lynch, their tenant at the time, would go belly  
19 up.

20 COUNCIL MEMBER COMRIE: I know  
21 that.

22 MR. REUBEN: So you never what  
23 happens between now and- -

24 COUNCIL MEMBER COMRIE:  
25 (Interposing) You never know.

2 MR. REUBEN: Yes.

3 COUNCIL MEMBER COMRIE: All right,  
4 thank you.

5 CHAIRPERSON WEPRIN: Such is life.  
6 I have no more questions, so I want to thank this  
7 panel very much.

8 MR. REUBEN: Thank you.

9 CHAIRPERSON WEPRIN: Thank you for  
10 taking the time and I'm sorry about the delay.  
11 What may be our last panel ... is that it? Okay,  
12 this is the last ... we have one more panel in favor  
13 and then a couple of people in opposition, I'm  
14 sorry. A panel in favor, Gary Tarnoff, if he's  
15 here, Jason Delgado, Jason ... is this the same  
16 person? One looks like Soliado and Delgado? Two  
17 Jasons or one Jason? Peter Rigardi also. Are any  
18 of those people here, or all of those people here?  
19 All right, well, whoever makes their way to the  
20 microphone in favor, let's start when you can.  
21 State your name for the record and keep- -

22 MR. TARNOFF: (Interposing) Good  
23 afternoon. Sorry, my name is Gary Tarnoff, I'm a  
24 member of the law firm of Kramer Levin ... okay,  
25 I'll start again.

COUNCIL MEMBER COMRIE: They're missing a panel, did somebody take a panel that wasn't supposed to be theirs? Did the Malkin folks take a Vornado panel, or ... Oh, one name is missing. What's the name? Oh I thought you- -

MALE VOICE: (Interposing) You've got them in favor.

MALE VOICE: Go ahead, go first.

MS. MICHAELSON: Okay, hi.

CHAIRPERSON WEPRIN: Go ahead.

MS. MICHAELSON: My name is Juliette Michaelson, I'm the senior planner for Regional Plan Association. RPA has long been a supporter of Moynihan Station and the area in midtown west, the area directly around Penn Station, and in fact in the last few we've strongly been advocating a new Moynihan Station district of dense new commercial development that takes advantage of Penn Station and the future Moynihan Station's unequalled access to the region's workforce. Density belongs around transit hubs, and while twice as many people travel through Penn Station every day as through Grand Central, you couldn't tell from looking at

1  
2 the skyline. In RPA's view, 15 Penn Plaza will  
3 bring us a step closer to building a new transit-  
4 oriented economically-efficient, and by virtue of  
5 its future dependence on mass transit,  
6 environmentally-sustainable district. We also see  
7 the proposed project as an integral part of the  
8 32<sup>nd</sup> to 34<sup>th</sup> Street corridor, the corridor that will  
9 guide the redevelopment of midtown from Herald  
10 Square to Moynihan Station and finally to the far  
11 west side. Development, after all, proceeds  
12 incrementally. Three buildings of more than two  
13 million square feet already exist in the  
14 neighborhood, and many more, obviously, are  
15 planned for the Hudson Rail Yards. In this  
16 context, a large building at the site of 15 Penn  
17 is precisely what is needed. That the applicants  
18 have also committed to significant transit  
19 benefits, to rebuilding and reopening the Gimbels  
20 passageway, providing real-time train information  
21 and improving access to subway platforms will in  
22 addition provide significant and immediate  
23 benefits to Penn Station's 400,000 daily users, in  
24 addition to the 300,000 people who use the subway  
25 stations nearby. In this fiscal environment, it

1  
2 seems highly unlikely that these improvements  
3 would occur without the transit bonus associated  
4 with this site. In conclusion, RPA supports dense  
5 new development around Penn Station that takes  
6 advantage of the district's access to transit. We  
7 also support improving the existing transit  
8 infrastructure in the area, and the proposed  
9 project at 15 Penn Plaza in our view, contributes  
10 to both goals. Thank you.

11 MR. DELGADO: Good afternoon, my  
12 name is Jason Delgado, I am the political field  
13 representative from Mason Tenders District Council  
14 PAC. You have my testimony there, I'm not going  
15 to actually read my testimony, because with that  
16 three minutes I'd rather talk from the heart here.  
17 Everyone else has read, so ... this project is a  
18 huge indicator of the work that we should push.  
19 The reason why is, the construction industry from  
20 2008 has decreased over 17,000 construction  
21 workers since 2008. Okay. There's no need for me  
22 to tell you, sit here and tell you that our  
23 industry right now for construction has declined.  
24 We are urging you guys to look at this and push  
25 this for one reason only, there are men and women,

1  
2 the hardest men and women I represent (sic), that  
3 are currently losing their houses, currently  
4 losing what they have. Right now, their kids  
5 can't afford some clothes. I mean, it's very  
6 obvious that the men and women, our neighbors, our  
7 friends, our family members, are losing what  
8 they've worked so hard for, and a project like  
9 this is a huge indicator, it could help thousands  
10 and thousands of construction men and women out  
11 there. And the majority of our union workers live  
12 in the five boroughs. To me this is a common  
13 sense, this is a common sense move, to let's push  
14 forward and let's make this happen. Thank you  
15 very much for your time.

16 CHAIRPERSON WEPRIN: Thank you.

17 MR. TARNOFF: Good afternoon, my  
18 name is Gary Tarnoff, I'm a member of the law firm  
19 of Kramer Levin Naftalis & Frankel, we're land use  
20 counsel to the applicant. I wanted to respond to  
21 some of the comments that were made here today.  
22 First, it was suggested by Mr. Malkin that there  
23 should be a zone as wide as 2,000 feet in which no  
24 building as tall as the Empire State Building  
25 could be built. I did a rough calculation that

1 runs from east of 3<sup>rd</sup> Avenue to 8<sup>th</sup> Avenue, up to  
2 42<sup>nd</sup> Street down to 26<sup>th</sup> Street, by my rough  
3 calculation, which I think is a pretty ... it would  
4 have a pretty big impact on future development in  
5 midtown Manhattan. Second, the community board  
6 made a point about the property could possibly be  
7 sold by Vornado, who knows what's going to happen  
8 in the next ten years. What they ignored about  
9 this land use approval, and what hasn't been  
10 mentioned at all is there is a restrictive  
11 declaration that's been executed by the applicant  
12 which includes requirements that no ... the rezoning  
13 cannot be used unless the transit improvements are  
14 built, the rezoning cannot be used unless the  
15 buildings are built in accordance with the  
16 envelopes that were approved by the City Planning  
17 Commission, the design as approved. So it isn't  
18 really a blank check rezoning, it's a rezoning for  
19 a specific package of transit improvements that  
20 are all part and parcel of the one development on  
21 this particular site. Third, I wanted to comment  
22 about Mr. Malkin's statement that his comments  
23 were ignored. Absolutely not true. This project  
24 had an environmental impact statement. It was  
25

1  
2 done after there was a public scoping process in  
3 which all the public had an opportunity to say  
4 what should be studied. We followed the city  
5 environmental quality review manual and studied  
6 historic resources within 400 feet of the site.  
7 When a comment was raised at the City Planning  
8 Commission public hearing that it should be  
9 expanded, we expanded the zone to include 34<sup>th</sup>  
10 Street from river to river and took a very careful  
11 look of what the impacts of the building would be  
12 on the Empire State Building. And it was  
13 concluded in the environmental impact statement  
14 that was reviewed by the Landmarks Preservation  
15 Commission and approved by the City Planning  
16 Commission that the impact on a historic resource  
17 would not be significant because one, we're more  
18 than a thousand feet away from the Empire State  
19 Building, and two, most of the significant views  
20 are from outside of Manhattan, most Manhattan  
21 views are blocked for pedestrians. And from  
22 Brooklyn, from Queens, from the Bronx and New  
23 Jersey, except if you're directly on the same axis  
24 of the building, there is sufficient distance so  
25 that the visual prominence of the Empire State

1  
2 Building is not impacted. And the conclusion of  
3 the environmental impact statement and the City  
4 Planning Commission. Thank you.

5 CHAIRPERSON WEPRIN: Thank you.

6 MR. RIGARDI: Good afternoon, I'm  
7 Peter Rigardi, President of Jones Lang LaSalle's  
8 New York Division, and I also have represented  
9 Merrill Lynch in negotiation with Vornado at Penn  
10 Plaza. I represented Bank of America in their  
11 selection of 42<sup>nd</sup> Street for their New York  
12 headquarters, and our firm currently manages  
13 Goldman Sachs' world headquarters. I have  
14 represented over a 100 transactions in this city  
15 and over 100,000 square feet, so what I'm about to  
16 say I think comes from lots of experience and  
17 expertise. CEO's of these companies, when they  
18 make decisions about headquarters, have two main  
19 focuses, one, the functionality of the building  
20 for technology, for their business today and in  
21 the future, and attracting and retaining labor in  
22 a very competitive labor market in New York City.  
23 What has changed and what has been touched upon in  
24 this meeting, is what has changed is the center of  
25 New York, which was Grand Central Station for

1  
2 years for commuters is no longer. All companies  
3 of scale, when they look at their labor force,  
4 will find that 80% of their labor force or more  
5 come from the five boroughs and New Jersey. That  
6 is due to the huge housing starts in New Jersey,  
7 and the regentrification of our city that is  
8 attracting employees. Penn Station represents the  
9 center of that economic, vital part of the labor  
10 force. Second, as it relates to technology and  
11 the building of the future, I'm representing a  
12 major financial institution right now for half a  
13 million square feet. In a city like New York  
14 you'd think there would be hundreds of  
15 possibilities for their headquarters and trading,  
16 but with the requirements of floor size, power,  
17 HVAC, and ceiling heights, there are nine  
18 buildings that we can consider for their  
19 headquarters, only nine. There's been a lot of  
20 talking today about Hong Kong and Shanghai and  
21 other places. Our firm operates as a leading  
22 service provider in all of those markets, so we  
23 speak and understand how competitive it is, and  
24 how these cities foster new development and  
25 encourage companies to come to their location.

1  
2 You know, there's also been talk about who's going  
3 to be the tenant and when. I could say this for a  
4 certainty. If this building was approved and was  
5 under construction right now, there would be a  
6 half a dozen tenants that Vornado would be  
7 negotiating for space with right now. A half a  
8 dozen for sure, maybe more. A tenant who is  
9 making a decision for their home, with thousands  
10 of employees who are going to go to, is not going  
11 to want to know that it's four, five, six, seven  
12 years or meetings like this to determine whether  
13 their company should move forward or not move  
14 forward on a project, which is essential for a  
15 developer, any developer, to have an understanding  
16 of what the rights are and what they have to offer  
17 to tenants in a competitive marketplace like New  
18 York. Thank you.

19 CHAIRPERSON WEPRIN: Thank you.

20 Panel, any questions? Okay, well we thank you all  
21 for coming, that was very helpful and we  
22 appreciate it. We have one more panel, I think,  
23 unless there's somebody who came in that I don't  
24 have yet. But this is a panel in opposition. I'd  
25 like to call on Brendan Sullivan, Eric Corley,

1  
2 Kyle Drazdik and Ian Dunford. If they could all  
3 please come to the front. Okay, did you guys  
4 decide who wants to go first? Please state your  
5 name and keep it within three minutes, please.

6 FEMALE VOICE: When the light is  
7 off, the microphone is on.

8 MR. CORLEY: So it's on now, okay.  
9 Eric Corley, resident of New York City, I want to  
10 thank you very much for allowing me to speak.  
11 I've heard a lot of talk today about improvements,  
12 and I think that many people favor improvements to  
13 subway entrances and concourses and things like  
14 that, but I think we might be losing sight of  
15 something that's very important, and that's a  
16 piece of history, I'm referring to the Hotel  
17 Pennsylvania, which I'm afraid many people have  
18 written off as a foregone conclusion, that this  
19 building must be destroyed in order to make these  
20 improvements, and I don't think that's necessarily  
21 the case. I think the Hotel Pennsylvania is a  
22 vibrant part of New York City. In fact there has  
23 been talk here today of making the area more  
24 vibrant. If you have ever gone inside the Hotel  
25 Pennsylvania, you will see so many people from

1  
2 around the planet congregating on New York City,  
3 seeing it for the first time, spending their  
4 tourist dollars in the area. These are all things  
5 that we will lose if we destroy a 1,700 room hotel  
6 that is perfect for people who are on a budget.  
7 This is the kind of thing that I think that we  
8 might be overlooking in favor of commuters and  
9 CEO's and all that kind of thing. Instead, we  
10 should be focusing on residents and employees of  
11 such places as the hotel, and tourists and people  
12 who live in the area who are opposed to this kind  
13 of a project, opposed to losing a very important  
14 focal point. Over a weekend in July, a couple of  
15 friends and myself asked people around the hotel  
16 area if they were in favor of this, and we passed  
17 around a petition. Inside of a few hours we had a  
18 thousand names on this petition, people who did  
19 not know the hotel was scheduled to be demolished,  
20 people who opposed this, people from all over the  
21 world, all over the country. And I think it's a  
22 very important thing, I'd like to enter this into  
23 the record if possible, just to show that this  
24 hotel is a vital part of the neighborhood. And in  
25 the end we're talking about community here, we're

1  
2 talking about preserving things that are  
3 important, and history as well. History isn't  
4 always the prettiest building, it isn't always the  
5 most perfectly preserved building. But I think  
6 that when we look at what Vornado has proposed,  
7 they propose to give us a little piece of a museum  
8 inside the new structure, with a link to a  
9 website. And I just would rather keep the real  
10 thing, than just a representation of what once was  
11 there. I'd like to ask if it's possible, to have  
12 these improvements, to have these office  
13 buildings, but yet still hold onto something  
14 that's a vital part of our community, namely, an  
15 historic hotel that's been around since 1919, and  
16 has been home to so many people throughout the  
17 decades, and will be home to so many others.  
18 Thank you.

19 CHAIRPERSON WEPRIN: All right,  
20 who's next?

21 MR. SULLIVAN: My name is Brendan  
22 Sullivan, I'm a lifetime resident of New York  
23 City, son of a- -

24 CHAIRPERSON WEPRIN: (Interposing)  
25 That's all right, keep going.

1  
2 MR. SULLIVAN: Sorry. My father  
3 was a lifelong resident of the city, his father  
4 was a lifelong resident of this city. Every  
5 generation of people who have lived here have  
6 witnessed the loss of some great cultural  
7 landmark. Maybe it wasn't the prettiest building,  
8 or the best, or the most modern building, but the  
9 loss of the original Penn Station, the loss of the  
10 original Madison Square Garden, these are looked  
11 back on by people who knew them when they existed  
12 as a major loss, and at the time many people  
13 didn't regard the demolition of these buildings as  
14 such a loss or a problem. But looking back, they  
15 regret it. And I think that the loss of a  
16 building such as the Hotel Pennsylvania, with its  
17 history, its fairly unique place in the city's  
18 culture, geography and economy would be a loss to  
19 all of us, particularly the people of the city, as  
20 well as many of the business interests. The hotel  
21 that is currently situated directly across the  
22 street from Penn Station offers a unique value  
23 proposition to travelers to the city. It is  
24 affordable, convenient, and has ease of access  
25 from essentially anywhere in the world, not to

1  
2 mention ease of travel to many popular tourist and  
3 business destinations. The addition of the  
4 hotel's conference facilities and performance  
5 spaces are also very unusual in this city. As  
6 someone who has been involved with many small,  
7 often non-profit, organizations, which are  
8 constantly struggling to find any space that they  
9 can afford on any sort of meeting or conference  
10 space, or event space, that they can afford on the  
11 very limited budgets that are allowed by simply a  
12 small group of people who wish to have a space  
13 where they can meet once a month, and it not cost  
14 even 40 of them several hundred dollars apiece,  
15 just to rent a room. I think we should pay much  
16 closer attention to what we lose when we tear down  
17 a building like this. It's not just we lose the  
18 building, we lose its history, its place in our  
19 culture, in our society, and the often overlooked  
20 economic benefits that it brings to the city.

21 Thank you.

22 MR. DUNFORD: Good afternoon, my  
23 name is Ian Dunford, and I'm here on behalf of the  
24 members of the New York Hotel Trades Council. I'm  
25 here today to express our concern with this

1  
2 project. Vornado is seeking a slew of public  
3 benefits that will result in millions of dollars  
4 worth of development rights. In the meantime they  
5 plan to tear down the Hotel Pennsylvania, one of  
6 the largest hotels in the city, with over 600  
7 union workers. This will be a detriment to the  
8 city's hospitality industry, a consistent source  
9 of economic growth and diversity, and will lead to  
10 a massive loss of quality hotel jobs. Neither  
11 Vornado nor the city have put forth any remedy for  
12 the 600 women and men who will lose their jobs  
13 when Vornado closes the Hotel Penn. I'm sorry ...  
14 in this difficult economic environment, we need to  
15 make sure that no New Yorkers are left behind. We  
16 want to urge that the city and the Council to  
17 ensure that Vornado sits down with the union,  
18 works out a fair deal for the 600 workers. We  
19 respectfully ask that you postpone voting on this  
20 project until the city and Vornado find a  
21 reasonable solution to this problem. Thank you  
22 for your time.

23 MR. DRAZDIK: Hello, good  
24 afternoon, my name is Kyle Drazdik, I'm an  
25 independent photographer, I volunteer with the

1  
2 Telephone Pioneers of America and a public  
3 citizen. You may reach me at P080121, Seattle,  
4 Washington. I'm actually from out of state and a  
5 frequent visitor here in New York City, and it's  
6 been really an honor and very interesting to sit  
7 in and listen to some of the opinions and  
8 sentiments that have been shared today. And as  
9 someone who does fly into the city, I would say  
10 it's a bit cramped with this new building that  
11 they're planning and I am, you know, happy to see  
12 that the Empire State Building is represented and  
13 I share some of their sentiments, but I'm going to  
14 go a little further and add to, or reiterate, what  
15 some of my friends here have said about the Hotel  
16 Pennsylvania. It is indeed an historic building  
17 and there's a lot of parallels with the Telephone  
18 Pioneers of America, with technology and the  
19 things replacing old things. And the Telephone  
20 Pioneers, as part of their socio-industrial  
21 organization, they hang on to some of the older  
22 technology so that they can share how it worked  
23 and keep it sort of alive and working on into the  
24 future, regardless of, you know, their actual  
25 industry, the telecommunications industry, sort of

1  
2 outdating and making new technology that makes the  
3 older stuff obsolete. And I think there's  
4 parallels with that in buildings, and in fact the  
5 telecommunications industry has a lot of historic  
6 buildings, and with what you're seeing here, the  
7 historical nature of this hotel would be lost. I  
8 mean, it isn't in my opinion necessary to replace  
9 it, and I think the transit issues are, they're  
10 valid and I think that's a separate problem. And  
11 I think the real ... the replacement of this  
12 building is ... it's unnecessary, in my opinion and  
13 lastly, you know, I just want to remark on the  
14 socio ... like community socio-industrial aspects of  
15 this. The Telephone Pioneers emphasize big-time  
16 with fellowship and community, and in fact in 1931  
17 they were one of many throughout history groups  
18 and organizations that shared and used the  
19 conference space at the Hotel Pennsylvania, their  
20 1931 annual meeting was held at the Hotel  
21 Pennsylvania, and this past July I had the honor  
22 of representing the Telephone Pioneers of America  
23 and speaking at a similar conference on  
24 technology, and that's 80 years later that I was  
25 able to talk about the Telephone Pioneers and sort

1  
2 of educate people on what they're about. And  
3 there's many groups that use this facility for  
4 conference spaces as well as tourists and people  
5 that travel to and enjoy the low cost of a hotel  
6 room. Thanks for your time.

7 CHAIRPERSON WEPRIN: Thank you, and  
8 thank you for traveling such a distance. Any  
9 questions? Well, thank you gentlemen, I know  
10 there's discussions going on with the city and  
11 other people too on the hotel issue, so we're glad  
12 you came down. Thank you. Sure, you have a  
13 petition to give us? You can give it to this  
14 young man right here, he'll take care of it. Is  
15 there anyone who has not spoken who was hoping to  
16 testify? Seeing no one, I want to thank you all  
17 for your patience. We are going to recess this  
18 meeting until tomorrow at 9:30, at least  
19 tentatively, tomorrow at 9:30 before the Land Use  
20 meeting, and I thank you all for coming and being  
21 so patient. I close the hearing, sorry, on this  
22 particular issue, on these land use items dealing  
23 with 15 Penn Plaza, and we recess the hearing  
24 until tomorrow morning, I mean, the meeting.

C E R T I F I C A T E

I, Richard A. Ziats, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.



Signature \_\_\_\_\_

Date September 1, 2010