

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
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HELD AT: Council Chambers
City Hall

B E F O R E:
MARK WEPRIN
Chairperson

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Daniel R. Garodnick
Vincent Ignizio
Robert Jackson
Diana Reyna
James Vacca
Albert Vann

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Michael Kelly Inc.

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Senior Counsel
Department of Information Technology & Telecomm

Brett Sikoff
Director of Mobile Telecomm Franchises
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Stanley Shor
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Ian Dunford
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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 16th 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

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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,

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

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

11 Thank you, sincerely, Michael Kelly."

12 CHAIRPERSON WEPRIN: Thank you. I
13 understand that Speaker Quinn has discussed this
14 with you, and she is okay now with this café?
15

16 MR. CALLAGHAN: Yes she is.

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

20 MR. CALLAGHAN: Thank you.

21 CHAIRPERSON WEPRIN: Oh, okay.
22 Okay, thank you. All right, now the next item is
23 Land Use #167-20105585, Smorgas Chef, also in
24 Speaker Quinn's district, and as luck would have
25 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 14th Street side of the café will
12 be removed, 3. The café on West 12th 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 96th Street and the two additional zones, the lowest being for the areas that have the lowest service.

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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

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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

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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 ...

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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

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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

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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

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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

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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 34th Street Business Improvement
23 District in the early 1990's. In the three
24 decades since our first acquisition in the area,
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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,

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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 7th
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 34th
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 6th 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 6th Avenue and 7th 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 6th
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 6th to 9th
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 7th Avenue and 33rd 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 6th Avenue, PATH, and address
9 critical congestion issues on the 7th 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 7th Avenue all the way east to Herald
15 Square and 6th 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 33rd 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 9th 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 9th 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 hotels, so there is a mama, which is Hotel Penn
2 REIT, over Hotel Penn LLC, it's a technical tax
3 requirement under the Federal Tax Code.
4

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 7th Avenue, straight up
21 from 7th 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 16th 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 6th
15 Avenue to 7th 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 32nd and
19 33rd 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 33rd and 32nd 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 7th
4 Avenue is only for the single-tenant building,
5 which Mr. Greenbaum described needs to be pushed
6 to 7th 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 7th, it's just on 32nd and 33rd 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 7th Avenue, because the building is built flush, as well as 32nd and 33rd Streets. On a multi-tenant, we're not asking for any waivers from 7th, but we're asking for similar waivers from 33rd to 32nd 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 34th 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 6th to
21 9th 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 9th 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

1
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 6th Avenue and 7th
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 33rd
22 Street one. The 33rd 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 7th to
25 8th Avenue on our property.

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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 7th 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 7th 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 6th and 7th. 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

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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 34th 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,

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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 53rd 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

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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 34th 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 7th 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

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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 34th Street Partnership Business
24 Improvement District. "As a concerned individual
25 citizen, I am writing to raise a serious question

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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 34th. The third- -

25 CHAIRPERSON WEPRIN: (Interposing)

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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?

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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 103rd 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 bonus. And there is no height limit, so depending
2 on the design, and how the tenant and the
3 developer want to orient the space, would
4 determine what the height would be. Obviously, as
5 the height gets, as it gets taller, in the as of
6 right scenario, without setbacks or waivers, the
7 floors would have to get narrower.
8

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.

1
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,

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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,

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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 5th Avenue or build a

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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

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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

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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

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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

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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

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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

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, 34th 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

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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, 34th 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,

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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 33rd Street, because pedestrians will be able
17 to move in a wide corridor between Penn Station
18 and the 7th Avenue subway station to the 34th
19 Street-Herald Square subway station, easy access
20 to PATH at 6th 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

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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

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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

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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 33rd 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

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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 53rd 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 53rd 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 14th Street.

19 COUNCIL MEMBER COMRIE: Right.

20 MR. REUBEN: To Central Park. From
21 8th 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 34th 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.

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

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

9 MALE VOICE: Go ahead, go first.

10 MS. MICHAELSON: Okay, hi.

11 CHAIRPERSON WEPRIN: Go ahead.

12 MS. MICHAELSON: My name is
13 Juliette Michaelson, I'm the senior planner for
14 Regional Plan Association. RPA has long been a
15 supporter of Moynihan Station and the area in
16 midtown west, the area directly around Penn
17 Station, and in fact in the last few we've
18 strongly been advocating a new Moynihan Station
19 district of dense new commercial development that
20 takes advantage of Penn Station and the future
21 Moynihan Station's unequalled access to the
22 region's workforce. Density belongs around
23 transit hubs, and while twice as many people
24 travel through Penn Station every day as through
25 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 32nd to 34th 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 3rd Avenue to 8th Avenue, up to
2 42nd Street down to 26th 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 34th
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 42nd 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,

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

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