

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the
COMMITTEE ON LAND USE

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June 27, 2017
Start: 2:38 p.m.
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HELD AT: Committee Room - City Hall

B E F O R E: DAVID G. GREENFIELD
Chairperson

COUNCIL MEMBERS:

VINCENT J. GENTILE
ANNABEL PALMA
DANIEL R. GARODNICK
DARLENE MEALY
ROSIE MENDEZ
YDANIS A. RODRIGUEZ
PETER A. KOO
BRAD S. LANDER
STEPHEN T. LEVIN
DEBORAH L. ROSE
JUMAANE D. WILLIAMS
RUBEN WILLS
DONOVAN J. RICHARDS
INEZ D. BARRON
ANDREW COHEN
BEN KALLOS

ANTONIO REYNOSO
RITCHIE J. TORRES
MARK TREYGER
RAFAEL SALAMANCA, JR.

A P P E A R A N C E S (CONTINUED)

COMMITTEE ON LAND USE

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[gavel]

3 CHAIRPERSON GREENFIELD: Good afternoon,
4 my name is David Greenfield, I'm the Council Member
5 from the 44th Council District in Brooklyn. I'm
6 privileged to serve as the Chair of the Land Use
7 Committee. I want to welcome esteemed colleagues who
8 are members of the committee and joining me today;
9 Council Member Garodnick, Council Member Mealy,
10 Council Member Mendez, Council Member Rodriguez,
11 Council Member Williams for his early attendance that
12 is in feat a surprise, Council Member Richards,
13 Council Member Barron, Council Member Kohen, Council
14 Member Kallos, Council Member Reynoso, Council Member
15 Torres, Council Member Treyger and Chair Salamanca.
16 Folks if we can just whisper on the set it would make
17 our lives easier, thank you very much. I want to
18 thank Chair Salamanca, Chair Richards, and Chair Koo
19 for their outstanding work on our Land Use
20 Subcommittees and Council Member Mendez for filling
21 in so ably today for Council Member Koo this morning.
22 Today we will be voting to approve with modifications
23 the greater East Midtown rezoning. We'll also be
24 voting to approve two of the sidewalk cafes on our
25 calendars. All other items on our calendar will be

laid over. The greater East Midtown business district is one of the largest job centers in the region. It contains more than 60 million square feet of office space and more than 250,000 people work there every single day. The goals of the rezoning are to ensure that the area around the major transit hub of Grand Central Terminal will remain one of the region's premier office districts by incentivizing the development of modern, sustainable, super class A office space preserving land mark buildings and upgrading the area's transit network and pedestrian realm. The actions before us are a text amendment to establish an East Midtown sub-district within the special Midtown district and a zoning map amendment to rezone a portion of a block bounded by 2nd Avenue, 3rd Avenue, East 42nd Street, and East 43rd Street from C5-2 to C5-3. While the council agrees with these goals of the rezoning in its view, modifications are necessary. In fact, if you look at the modifications that are before you today that I'm about to describe these were all part of a long collaborative process led by Council Member Dan Garodnick in collaboration with the Borough President Gale Brewer this is reflective of how a zoning should work which is that

the administration proposes a zoning and the council then tweaks it to, to ensure that the needs of a local community is met. In this case Council Member Garodnick had a unenviable task, he not only had to keep his constituents happy, he had to keep a quarter of a million of the rest of our constituents happy who travel into Midtown each and every single day to work and to worry about their concerns as well and I think he's done a fantastic job. So, let's talk about some of those outstanding issues and how we resolve them with respect to the minimum contribution amount. Based upon feedback and a revision of the study methodology which was revised to exclude transactions in part of the city with our tax incentives for development and to focus on development right transaction instead of land sales, the council is reducing the development right valuation from 393 dollars per square foot to 307.45 dollars per square foot thus the minimum per square foot contribution amount would be the greater of 20 percent of the sale price worth 61 dollars and 49 dollars per square foot. I know that not everybody is happy about this but this is what we call a fair compromise when everybody around the table is not thrilled that means

we probably got it right and this is a way of addressing the concerns by all the parties to ensure that when there is a transfer of air rights that the public captures a fair amount of that to go into the public realm. To address concerns raised about complex transactions the council has included a new defined term, sale price, which makes clear that all consideration must be reported even if it is contingent consideration so that we will capture the full value. With respect to the governing group, the council is modifying the text to include a representative appointed by the speaker. Of course, this is the group that will govern over the funds that will be generated through the minimum contribution amount and this particular organization will establish at the civic organization representative is an appointment of the Manhattan Borough President and assures transparency and reporting by the governing group. The modification also requires that if 20 million dollars had been contributed but are languishing unspent after three years the governing group must vote either to fund a public realm improvement or vote to retain those funds this will ensure that the money doesn't get

2 stuck in the system or potentially hoarded for some
3 other purpose and was another issue that we addressed
4 at our hearing a few weeks ago. The council also
5 modified the definition of qualifying site to ensure
6 that developments are located with at least 75 feet
7 of frontage along a wide street unless a landmark or
8 transit easement is located there. Keeping with the
9 East Midtown steering committees goals the council
10 ensure that high quality indoor outdoor public spaces
11 will be provided for qualifying sites with over
12 30,000 square feet of lardier. We expect that now
13 half of the developments that go up will, will
14 include brand new privately owned public space which
15 is so important considering how there is such a lack
16 of public space in this area and that was something
17 that we added as well. The council excluded zoning
18 lots on the East side of 3rd Avenue between 46th and
19 51st Street from eligibility for the additional
20 density and responds to significant concerns about
21 the impact to surrounding residential uses
22 specifically to the concerns that were raised by the
23 Turtle Bay community, another example of where the
24 council was responsive to the local constituency
25 about their concerns. In terms of the height and set

1 back elements of the proposal the council is
2 modifying the proposal to remove the grandfathering
3 of non-complying daylight evaluation scores. The
4 actual scores of the existing buildings are unknown
5 and allowing them to rebuild to a low score would not
6 serve the goals of the sub-district. This was an item
7 that many interested parties actually reached out to
8 us including folks in the architectural world who
9 were concerned about the fact that these buildings
10 were built at a time when folks did not focus on the
11 daylight evaluation scores. This will ensure that new
12 buildings in fact will be appropriate for this
13 particular area. There are many additional
14 modifications to the zoning text which were made to
15 increase transparency and uncertainty such as a
16 referral of all applications to community boards and
17 adding details to the list of transit improvements
18 that will be generated by the bump in the FAR. The
19 council will be posting a list of our more detailed
20 modifications on our website. With that I would like
21 to turn it over to Council Member Dan Garodnick for
22 remarks, Council Member.

23
24 COUNCIL MEMBER GARODNICK: Thank you very
25 much Mr. Chairman for, for describing the elements of

the rezoning and our changes and for your support and to my colleagues I'm very pleased to be bringing the greater East Midtown rezoning plan to this committee for a vote today. This is an important day for East Midtown, the city's most important business district which delivers ten percent of the city's property tax revenue, today it's going to get a jolt, an opportunity for renewal. As you know we stopped a prior version of this plan in the city council back in 2013 because it delivered a lot of certainty to the real estate world but far too little to the public. For a plan to work we needed certainty all around, an opportunity for as of right development and a solid commitment for public improvements. We then rolled up our sleeves and approved a new vision for Vanderbilt Avenue and focused on putting our density near our most important transit hub at Grand Central. We greenlighted the one Vanderbilt development and an additional 1.6 million square feet of class A office space with nearly six times the tax revenue that the predecessor buildings were bringing, it went from about eight million to about 50 million dollars in revenue for the city. We also delivered 220 million dollars in private investment into Grand

Central Terminal which will among other things move trains faster through the station. We also approved a beautiful new public plaza on Vanderbilt Avenue between 42nd and 43rd Streets and a new transit hall for commuters. We then turned our attention back to the rest of East Midtown, Mayor De Blasio asked me and Borough President Gale Brewer to bring together the local stakeholders to develop a new plan. The East Midtown steering committee met 20 times over the course of a year engaged in many hours of intense discussion and produced a report that laid out a plan for this rezoning. The Department of City Planning then took that blueprint and turned it into this rezoning proposal. The formal proposal presented by the Department largely tracked the steering committee's recommendations. In short, the plan allows bigger development new subway stations all around East Midtown and allows for density to be earned by doing transit improvements. This is certainly the right place to be putting new density, near Grand Central Terminal one our most important regional hubs. It permits landmarks in the area to transfer their air rights throughout the district rather than just next door or across the street and

it permits overbuilt buildings to rebuild their current floor area without having to retain 25 percent of their building as the current zoning requires. And for the public we're going to see significant end certain benefits to the public realm. First developments that are located in transit zones will be required to do certain improvements to the subway stations. The list of transit improvements is baked right into the zoning resolution so they will get done as the buildings go up. This list includes things like new entrances, stair widenings, new elevators and so on. The bigger the item the more floor area, area that it can generate for a developer. And second, every air rights transfer from a landmark will be required to make a contribution into a public improvement fund which will support the creation of new, open public spaces in East Midtown. The contribution will be the greater of 20 percent of the sale price or a minimum contribution per square foot. So, some of the changes that we're making today. We're creating a requirement for privately owned public spaces on the development sites, there were no POPS required in the original proposal. Under the council's modifications POPS will be required on

1 all sites over 30,000 square feet. From 30,000 to
2 65,000 square feet, ten percent of the site will be
3 dedicated to POPS and on lots over 65,000 square feet
4 the POPS will need to be over 10,000 square feet. We
5 expect that about half of the new buildings that will
6 come online will be required to provide these spaces
7 and they will be an important addition to the public
8 realm in East Midtown. Also after careful
9 consideration we are setting but lowering the minimum
10 contribution to the public realm fund. In air rights
11 transactions 20 percent will be delivered to the
12 public or a minimum contribution amount whichever is
13 higher. The original proposed... the original proposal
14 set a minimum contribution of \$78.60. we were
15 concerned about this methodology that, that led to
16 the number and worried that setting the minimum at
17 too high a level could potentially chill transactions
18 from happening in the first place. We refined the
19 analysis focusing only on land sales which had... which
20 had focused only... which had focused on land sales, we
21 excluded Hudson Yards transactions from the
22 calculations and we arrived at a lower contribution
23 number namely \$61.49. we believe that a minimum
24 contribution at this level will provide certainty for
25

the public but will not get in the way of the market regardless the public will always get 20 percent if that is the higher value. We also gave some more authority to the non-mayoral members of the governing group who will decide how these funds are spent, we tightened the definitions of sites that qualify for the rezoning putting an emphasis on those buildings with at least 75 feet of avenue frontage. We also are not grandfathering bad light and air scores on buildings that are coming down. Under the Midtown height and setback requirements each new building is required to achieve a certain minimum score that ensures that enough light and air reaches the street. The city's proposal allowed existing buildings with low scores to keep those low scores in a new building. We removed this grandfathering provision after all our goal is to improve East Midtown not simply keep it as is. Finally, we heard a lot of concerns from the Turtle Bay community in, including from local community board six about commercial development on 3rd Avenue putting an undue pressure on the residential areas just to the East. In response to those concerns we're leaving the existing FAR on 3rd Avenue between 46th and 51st Street but

1 we're allowing existing buildings there to build back
2 to their existing FAR if they qualify. The city has
3 also agreed to commit funds today to activate a
4 number of open space improvements, that means that we
5 will be prepared even before workers from new
6 buildings in East Midtown hit the streets we will be
7 able to have new open spaces for them. we're going to
8 see some exciting new spaces and we're going to see
9 them soon. Like for example, 43rd Street between
10 Lexington and 3rd Avenue just to the East of Grand
11 Central that will become a shared street and allow
12 for better access for pedestrians and more of an, an
13 opportunity for people to sit out, enjoy their lunch
14 and relax. We also have a commitment of 50 million
15 dollars from the administration to deliver on some of
16 these commitments that we have set forth in the
17 zoning resolution to get them activated even before
18 the development starts. I want to thank the many
19 people who have contributed to bringing this
20 undertaking to fruition; the Borough President Gale
21 Brewer is a great friend and partner and it was a
22 pleasure Co-Chairing the steering committee with her
23 as well as coordinating closely throughout the ULURP
24 process. Each and every member of that steering

committee took significant time from their day jobs, engaged in the discussions that laid the groundwork for this plan. The able team of city agencies led by City Planning Chair Marisa Lago and her team as well as her predecessor Carl Weisbrod with important assists from the Department of Transportation and the MTA they put in countless hours of hard work to convert the steering committee's blueprint into a formal proposal. Deputy Mayor Alicia Glen came through with critical commitments that took this plan over the finish line and of course the city council's land use team Raju, Julie, Liz took a lot of time to advise and amend the proposal and I'm grateful to them, my Chief of Staff Marianna Vaidman Stone and former Chief of Staff Genevieve Michel. I'm thrilled that this project is successfully coming to a close, I asked my colleagues to support it today and I look forward to seeing the revitalized East Midtown that it will create and with that I thank you for the time Mr. Chairman.

CHAIRPERSON GREENFIELD: Thank you Council Member, I also want to specifically thank our outstanding land use staff, if they're walking a little slowly today it's because they haven't gotten

1 much sleep in the last few days trying to meet
2 today's deadline. It was a great collaboration with
3 everyone involved and certainly we're very grateful
4 for all of their work. Today we will also be voting
5 to approve two of the applications for revocable
6 consents for unenclosed sidewalk cafes on our
7 calendar, they are LU 713, Guacamole Taqueria located
8 at 5025 Broadway and LU 714, Mama Sushi located at
9 237 Dyckman Street. These sidewalk cafes are in
10 Council Member Rodriguez's district in Manhattan and
11 he supports approval of these applications. Are there
12 any members who have any questions or remarks on
13 these applications hearing none the Chair asks the
14 Clerk to please call the rolls... call the roll and to
15 start with Council Member Rodriguez please.

17 COUNCIL MEMBER RODRIGUEZ: [off-mic] Aye...

18 [off-mic dialogue]

19 CHAIRPERSON GREENFIELD: Got it. alright,
20 I've been advised by council that we have to give you
21 some more gobbleygook before we can move on. We will
22 now move on to a vote in accordance with the
23 recommendations of the sub-committee to approve of
24 the modification I've described LU 691, 692, Greater
25 East Midtown Rezoning and to approve LU 713 and 714,

1 COMMITTEE ON LAND USE

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2 the two sidewalk cafes, will the Clerk please call
3 the roll and start with Council Member Rodriguez.

4 COMMITTEE CLERK DISTEFANO: Committee
5 Clerk Matthew Distefano, Committee on Land Use roll
6 call on LU Numbers 691 and 692, 713 and 714 Council
7 Member Rodriguez?

8 COUNCIL MEMBER RODRIGUEZ: [off-mic] Aye.

9 COMMITTEE CLERK DISTEFANO: Greenfield?

10 CHAIRPERSON GREENFIELD: I vote aye and
11 also ask if you can call on Council Member Kohen who
12 also needs to leave?

13 COMMITTEE CLERK DISTEFANO: Kohen?

14 COUNCIL MEMBER KOHEN: I vote aye.

15 COMMITTEE CLERK DISTEFANO: Garodnick?

16 COUNCIL MEMBER GARODNICK: Aye.

17 COMMITTEE CLERK DISTEFANO: Mealy?

18 COUNCIL MEMBER MEALY: [off-mic] I vote
19 aye... I vote aye.

20 COMMITTEE CLERK DISTEFANO: Mendez?

21 COUNCIL MEMBER MENDEZ: I vote aye and
22 congrats for all your hard work.

23 COMMITTEE CLERK DISTEFANO: Levin?

24 COUNCIL MEMBER LEVIN: Good job Dan, I
25 vote aye.

1 COMMITTEE CLERK DISTEFANO: Williams?

2 COUNCIL MEMBER WILLIAMS: Mr. Chair you
3 look like you have weight off your shoulder, anything
4 you want to share, anything new going on?

5 CHAIRPERSON GREENFIELD: I saved 15
6 percent on my car insurance this morning.

7 COUNCIL MEMBER WILLIAMS: Congratulations
8 Council Member Garodnick on a great job and I vote
9 aye on all.

10 COMMITTEE CLERK DISTEFANO: Barron?

11 COUNCIL MEMBER BARRON: I vote aye.

12 COMMITTEE CLERK DISTEFANO: Kallos?

13 COUNCIL MEMBER KALLOS: I vote aye.

14 COMMITTEE CLERK DISTEFANO: Reynoso?

15 COUNCIL MEMBER REYNOSO: I vote aye on
16 all, congratulations to Council Member Garodnick and
17 think we're overlooking this stock as a big deal so
18 congratulations to Council Member Ydanis as well.

19 COMMITTEE CLERK DISTEFANO: Torres?

20 COUNCIL MEMBER TORRES: [off-mic] I vote
21 aye.

22 COMMITTEE CLERK DISTEFANO: Treyger?

23 COUNCIL MEMBER TREYGER: Can Council
24 Member Garodnick repeat all the victories that he

1 COMMITTEE ON LAND USE

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2 secured for his district, I vote aye and
3 congratulations to my colleague.

4 COMMITTEE CLERK DISTEFANO: Salamanca?

5 COUNCIL MEMBER SALAMANCA: Well
6 congratulations Council Member Garodnick, I vote aye
7 on all.

8 COMMITTEE CLERK DISTEFANO: By a vote of
9 14 in the affirmative, zero in the negative and no
10 abstentions LU Numbers 713 and 714 have been approved
11 and LU Numbers 691 and 692 have been approved with
12 modifications.

13 CHAIRPERSON GREENFIELD: Thank you we're
14 going to keep the roll open for five more minutes,
15 thanks very much.

16 COMMITTEE CLERK DISTEFANO: Committee on...
17 Committee on Land Use continuation of roll call, LU
18 Numbers 691 and 692, 713, and 714, Council Member
19 Richards?

20 COUNCIL MEMBER RICHARDS: I vote aye,
21 congratulations to everyone.

22 COMMITTEE CLERK DISTEFANO: The vote now
23 stands at 15 in the affirmative, zero in the negative
24 and no abstentions.

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2 CHAIRPERSON GREENFIELD: This concludes
3 the Land Use Committee of July 27th, 2017. This
4 hearing is hereby adjourned.

5 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date July 31, 2017