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Gale A. Brewer, Borough President

November 8, 2018

**Recommendation on City Planning Commission Chairperson’s Certification
Grand Central Terminal Floor Area Transfer
270 Park Avenue – JP Morgan Office Building
N 190080 ZCM**

PROPOSED ACTIONS

JPMorgan Chase Bank (the “Applicant”) is seeking a City Planning Commission (CPC) Chairperson’s Certification pursuant to Section 81-642 of the New York City Zoning Resolution. The Certification would enable the transfer of 666,766 square feet of development rights from the Grand Central Terminal (“Granting Site”) to 270 Park Avenue (“Receiving Site”)

Section 81-642 of the New York City Zoning Resolution states that the following conditions must be met prior to the transfer of development rights:

1. The Applicant must obtain a Chairperson’s Certification.
2. Proposed floor area transfer must not exceed the total amount of square footage available on the Granting Site.
3. The FAR on each lot on the Receiving Site cannot exceed the FARs outlined in Row D of the table in Section 81-64¹.
4. The floor area transfer shall result in a reduction of available square footage available on the Granting Site by the amount of the floor area that is transferred.
5. Owners of both the Granting and Receiving Sites must submit a copy of the instrument used to enact the transfer of floor area *before* the DOB can issue a building permit.
6. A contribution to the Public Realm Improvement Fund must be made *before* the DOB can issue a building permit.

BACKGROUND

Special Midtown District (1982)

The Special Midtown District was created in 1982 “to encourage the growth of Midtown to the west and south, and to ease development pressures on its congested, highly-developed East Side core.”

¹ The Receiving Site is located within a C5-3 district. Half the site is in the Park Avenue Subarea and half is in the Southern Subarea. The Table in Section 81-64 indicates that the maximum amount of transferrable development rights for those subareas are 10.0 FAR and 6.6 FAR, respectively.

The District generally extends from East/West 31st Street to East/West 60th Street between Third and Eighth Avenues. It includes a Preservation Area located in the midblocks from West 53rd Street to West 57th Street between Fifth Avenue and Avenue of the Americas.

Grand Central Subdistrict (1992)

In 1992, the Grand Central Subdistrict was added to the Special Midtown District. As part of that action, the Grand Central Terminal was for the first time able to transfer its development rights to non-adjacent lots within the Special Midtown District.

This action has enabled the Grand Central Terminal to be the Granting Site for the proposed project at 270 Park Avenue.

Vanderbilt Corridor (2014)

In 2014, the Vanderbilt Corridor was established, enabling greater density development between Madison and Vanderbilt Avenues from East 42nd to East 47th Streets. In exchange, developers would provide transit and public realm improvements.

East Midtown Rezoning (2017)

The City Council approved the Greater East Midtown Rezoning on August 9, 2017. The rezoning, which was aimed at providing opportunities to upgrade some of the decades-old office spaces in the area, received much community input, particularly on issues such as creation of open spaces and preservation of landmarks within the district.

The rezoning action established the East Midtown Subdistrict which includes the following elements:

- Transfer of unused development rights from landmarks to development sites across the district
- A Public Realm Improvement Fund contribution requirement for developments receiving development rights from landmarks
- Increase in FAR for qualifying sites in exchange for subway station improvements
- Increase in FAR for qualifying sites in exchange for creating a publicly accessible public concourse

PROJECT DESCRIPTION

This Application is the first to seek a Chairperson's Certification under the new East Midtown Subdistrict regulations.

The Applicant proposes to demolish an existing 51 story office building on the Receiving Site, located between East 47th and East 48th Streets, Madison Avenue, and Park Avenue, to construct a new office building. The Receiving Site is located within a C5-3 district. Additionally, half the site is within the Park Avenue Subarea while the other half is in the Southern Subarea.

The proposed building will encompass approximately 70 floors and 1,871,764 square feet of floor area². The proposed average FAR for the site is 23.3. The table below outlines the proposed development rights transfer.

Receiving Site - 270 Park Avenue

Lot Size	80,333
Total FA with no Actions (15 FAR)	1,204,998
<i>Proposed FA to be transferred Park Avenue Subarea - 40,166.6 SF (10 FAR)</i>	401,666
<i>Proposed FA to be transferred Southern Subarea - 40,166.6 SF (6.6 FAR)</i>	265,100
Total Proposed FA to be transferred	666,766

Proposed FA on Receiving Site 1,871,764

If approved, per the requirements of the East Midtown Rezoning, the Applicant will provide:

- A \$41,672,875 contribution to the Public Realm Improvement Fund
 - Use of these funds will be determined by the Public Realm Improvement Fund Governing Group
- A \$10,400,000 contribution to the Grand Central Terminal
 - Use of these funds will comply with the Continuing Maintenance Program, which was approved by the Landmarks Preservation Commission in 1997

Per the requirements of the East Midtown Rezoning, the development project itself is required to provide:

- A 10,000 square foot open, publicly accessible space as required by Section 81-681 of the Zoning Resolution, which states:
 "A #qualifying site# with a #lot area# of 65,000 square feet or greater shall provide an open publicly accessible space with an area of not less than 10,000 square feet. Where such #qualifying site# has a #through lot# portion, such #qualifying site# shall provide an open publicly accessible space across the #through lot# portion."

Furthermore, the Applicant is providing the following improvements:

- Widening the sidewalk along the Madison Avenue between East 47th and East 48th Streets to better accommodate pedestrian traffic around the Receiving Site
- Installation of bollards along the proposed building to protect pedestrians on the sidewalk as well as the proposed building

² The gross floor area for the building will be approximately 2,400,000 square feet. However, certain uses, such as mechanical uses, are not counted as floor area.

- Incorporation of the existing Metro North entrance at East 42nd Street and Madison into the proposed building

COMMUNITY BOARD RECOMMENDATIONS

In a resolution dated October 2018, Manhattan Community Board 5 noted that during the East Midtown Rezoning process, the Receiving Site was not considered by the Department of City Planning (DCP) to be a likely redevelopment site. DCP, as such, did not take into consideration any environmental or other impacts associated with the redevelopment of the site. The Board requested that a number of issues be studied in order “to enable best zoning and planning practices.” Among the issues listed were:

- Transit improvement contributions (which would have been required under Section 81-641 of the Zoning Resolution)
- Impacts of proposed demolition and construction, including environmental and traffic impacts
- Impacts on light-sensitive resources such as parks, open spaces, and POPS

BOROUGH PRESIDENT’S COMMENTS

The Application reflects the intent of the Special East Midtown zoning text by enabling the Applicant, JP Morgan Chase, to retain its headquarters and develop Class A office space that will better accommodate its 6,000 employees. Retaining large companies and allowing for the construction of new office space secures New York City’s Midtown as one of the premier business districts in the world.

Additionally, the zoning ensures that this scale of development does not occur without providing necessary improvements to public spaces and landmarks. Per the requirements of the East Midtown Rezoning, the Applicant is required to provide:

- \$41,672,875 for the Public Realm Improvement Fund
- \$10,400,000 for the preservation of Grand Central Terminal
- A 10,000 square foot open, publicly accessible space
- Pedestrian improvements, including a wider sidewalk along Madison Avenue between East 47th and East 48th Streets

The Manhattan Borough President’s Office is aware that the Applicant is in the process of undertaking an additional application for an amendment to the Zoning Resolution. The Borough President’s support of the development rights transfer currently at issue should not be taken as any indication of views on any future applications. Such applications will be judged on their own merit in light of the appropriate findings and goals of the East Midtown Rezoning.

The Borough President would also like to note that the proposed project will not result in transit improvements within the Special Midtown District, as it is not in either of the Transit Improvement Zones. Nonetheless, the benefits listed above are welcome assets to the East Midtown neighborhood.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President supports the Chairperson's Certification for the transfer of development rights.

A handwritten signature in black ink that reads "gale A. Brewer". The signature is written in a cursive style with a large, looped initial "g" and a capital "A".

Gale A. Brewer
Manhattan Borough President