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Gale A. Brewer, Borough President

August 19, 2021

**Recommendation on ULURP Application Nos. N210416ZRM, C210414ZSM,
C210415ZSM, C210413ZSM, C210417PPM, N210418ZCM, N210419ZCM, N210420LDM,
and C210412ZSM
175 Park Avenue by Commodore Owner, LLC**

PROPOSED ACTIONS

Commodore Owner, LLC (“the Applicant”), a joint venture formed by RXR Realty and TF Cornerstone, is seeking approval for the following actions:

- Disposition of a City-owned property;
- Special permit pursuant to ZR 81-621 to allow hotel use;
- Special permit pursuant to ZR 81-644 to allow for a floor area increase in exchange for providing transit improvements;
- Special permit pursuant to ZR 81-645 to allow for a floor area increase in exchange for improvements to a public concourse;
- Special permit pursuant to ZR 81-685 to allow modifications to qualifying site, floor area, street wall, height and setback, district plan elements, publicly accessible space, Open Space & and special permit regulations; and
- Zoning text amendments to ZR 81-613, 81-644, 81-645, and 81-685.

These actions would apply to a proposed qualifying site that contains both the Grand Central Terminal and the Grand Hyatt New York Hotel (the “Qualifying Site”). The Applicant proposes to redevelop a portion of the Qualifying Site, which is currently occupied by the Grand Hyatt New York Hotel (the “Development Site”). Both the Qualifying and Development Sites are located in Manhattan Community District 5.

BACKGROUND

East Midtown Rezoning ¹

The City Council approved the Greater East Midtown rezoning on August 9, 2017. The goals of that rezoning were to allow for the redevelopment of older office space within the central business district while furthering transit and public and open space improvements. The East Midtown Subdistrict 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; and
- Increase in FAR for qualifying sites in exchange for creating an accessible public concourse.

Area Context

The Development Site is located within the East Midtown Subdistrict of the Special Midtown District. East Midtown is occupied by large scale office buildings, many of which include privately owned publicly accessible spaces. The area plays an integral role in the economy of the New York metropolitan region. In addition to its importance as a business center, East Midtown is also world-renowned for its iconic architecture, significant civic spaces, and extensive transportation system—all of which are exemplified by Grand Central Terminal at the heart of the Subdistrict.

The Park Avenue portion of East Midtown is lined with office building entrances, with some ground-level storefront banks. Lexington Avenue, Madison Avenue and East 42nd Street are the main commercial corridors in the area, containing a variety of establishments to service the area's workers.

Major infrastructure projects, such as the East Side Access tunnel and the Second Avenue Subway, will create new options for commuters to access the region while hopefully alleviating congestion on the Lexington Avenue line.

PROPOSED DEVELOPMENT

Site Description

The Applicant is requesting to use a qualifying site that contains two zoning lots. The first, Zoning Lot 1, contains the Grand Hyatt New York Hotel, a 26 story hotel (the “Development Site”). The second, Zoning Lot 2, contains Grand Central Terminal, an individual and interior

¹ N170186ZRM. Enacted by the City Council on August 9, 2017.

landmark. This Qualifying Site would contain a total of 203,872 square feet. This larger size would result in an increase in the floor area bonused to the Development Site and allow the Applicant to implement broader transit and public realm improvements.

The Qualifying Site is located on the southern portion of Manhattan Block 1280, which is bounded by Vanderbilt Avenue, Lexington Avenue, East 45th Street, and East 42nd Street. The site is located in a C5-3 zoning district and is within the Grand Central Transit Improvement Zone Subarea of the East Midtown Subdistrict.

In 1977, the State adopted a General Project Plan (GPP) to renovate the Commodore Hotel and entered into a 99-year ground lease with a developer who redeveloped the Commodore into the Grand Hyatt. The disposition action that is part of this application would effectively amend and extend the existing ground lease.

Project Description

The Applicant is proposing a 1,642-foot tall commercial building containing 85 stories and 2.25 million square feet of floor area (11.02 FAR). The proposed building would include a 500 room hotel, 1.83 million square feet of class-A office space, and retail space on the first three floors.

The Applicant also proposes the following transit and public realm improvements

- Construct a below-grade connection between Long Island Railroad (and in the future East Side Access), Metro North, and the subway. This connection, which would eliminate the need for passengers to travel up one level before having to come back down to make a connection, would be known as the “Short Loop”;
- Renovate the Lexington Passage, including increasing the height of the corridor;
- Construct a new transit hall that connects Lexington Passage, 42nd Street Passage and the subway;
- Renovate the 42nd Street subway entrance, including making it wider and more visible from the street level and relocating the passenger elevator;
- Construct a new, weather-protected subway entrance at Lexington Avenue; and
- Construct three elevated terraces that would contain a combined 25,000 square feet of open air public space².

The Applicant also proposes to use about 618,000 square feet of development rights from Grand Central Terminal, which would result in an approximately \$38 million contribution to the East Midtown Public Realm Improvement Fund. The floor area bonus resulting from the transit improvements would total 611,616 square feet while the bonus resulting from the public concourse would be 259,224 square feet.

² One of the terraces, the Chrysler Terrace, is being proposed pursuant to ZR 81-681(b), which requires the site to include a public space that is open to the sky and is at least 10,000 square feet in size.

Zoning Text Amendments

In order to facilitate the proposed building, the Applicant proposes the following amendments to the Zoning Resolution:

- ZR 81-613: amend the definition of “Public Realm Improvement Fund” to facilitate the \$38 million payment that would result from the purchase of the Grand Central Terminal development rights;
- ZR 81-644: amend the transit improvement special permit to clarify that improvements to a rail mass transit facility (in this case the Grand Central Terminal) qualifies for the floor area bonus. This change would facilitate the construction of the Short Loop;
- ZR 81-645: amend the public concourse special permit to allow the Applicant to seek a waiver to provide seven loading berths instead of the required nine. This change is requested in order to facilitate the interconnected, three terrace design that they have proposed; and
- ZR 81-685: allow both zoning lots to be considered a single, qualifying site. This would allow the proposed building to benefit from bonuses generated by both the transit improvements and public concourse. The Applicant also seeks to extend the time in which they are required to complete substantial construction of the proposed building and improvements, from four years to up to ten years prior to the expiration of the special permit.

COMMUNITY BOARD RECOMMENDATION

On July 8, 2021 Manhattan Community Board 5 voted to recommend approval of the application, with the following conditions:

1. Restrict the proposed text amendments so they only apply to this site, including limiting the FAR bonus to the 4.27 that the proposed building will use;
2. Exclude Depew Place from FAR calculations;
3. Redesign the massing of the proposed building to allow more daylight on Lexington Avenue;
4. Include more retail on East 42nd Street; and
5. Ensure that the restrictive declaration, which will include requirements for the public terraces, is negotiated with Community Board 5, including the terms that outline hours of public access, wayfinding, seats, trees, lighting, security, maintenance, sanitation, and arts and cultural uses.

In its resolution, the Board noted its preference for keeping the terraces accessible to the public 18 hours a day and 7 days a week.

BOROUGH PRESIDENT'S COMMENTS

The building proposed by the Applicant brings together the overarching goals of the East Midtown Rezoning. While providing class-A office space and amenities for office users in the area, the building plan also includes extensive public space and transit improvements that will reach beyond the district. The location of the Development Site above rail infrastructure provides a unique opportunity to reimagine pedestrian circulation and to design corridors that are inviting to the public and admit increased daylight. When I first met with the Applicant team many months ago, I suggested that they consider an elevated public space and noted the success of the stairs and elevated area in front of the New York Public Library's main branch. I believe the proposed design of the terraces, which includes two large staircases rising above East 42nd Street, achieves a striking design that will draw not only workers in the area, but also visitors from outside the district.

Furthermore, I am pleased to learn that the development team is working on including public arts and cultural programming for its public spaces by partnering with the Public Art Fund and Lord Cultural Resources. The Applicant has represented that all three terraces will have rotating art installations, which will help ensure that the public feels welcome. I agree with Community Board 5 that these spaces should be closed only for overnight maintenance and remain open 18 hours a day, 7 days a week.

BOROUGH PRESIDENT RECOMMENDATION

Therefore, the Manhattan Borough President recommends approval of ULURP Application Nos. N210416ZRM, C210414ZSM, C210415ZSM, C210413ZSM, C210417PPM, N210418ZCM, N210419ZCM, N210420LDM, and C210412ZSM with the following conditions:

1. That the Applicant change the proposed zoning text amendment so that the FAR bonused on the site will only include the 4.27 FAR that the proposed building would necessitate; and
2. That the restrictive declaration include a requirement that the outdoor terraces only be closed overnight to accommodate the necessary cleaning, maintenance, and security needs.



Gale A. Brewer
Manhattan Borough President