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Mark Levine, Borough President

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Recommendation on Madison Square Garden Special Permit No. C230238ZSM by MSG Arena, LLC and Non-ULURP No. N 230240ZRM by NYC Department of City Planning

PROPOSED ACTIONS

MSG Arena, LLC (the “Applicant”) is seeking a special permit pursuant to Section 74-41 of the Zoning Resolution to facilitate the use and operations of the Madison Square Garden (MSG) Arena located at 3-10 Penn Plaza (Block 781, Lot 9001) in Community District 5 in Manhattan.

Section 74-71 of the Zoning Resolution (ZR 74-71) requires that any arena seeking this special permit:

1. Locate vehicular access on an arterial highway, a major street, or a secondary street within one-quarter mile of an arterial highway or major street;
2. Minimize vehicular traffic in local streets and residential areas;
3. Is not located within 200 feet of a residential zoning district;
4. Provide adequate space for entering and exiting vehicles to prevent traffic congestion;
5. Provide vehicular entrances and exits no less than 100 feet apart; and
6. Provide “due consideration” to the proximity of bus and rapid transit facilities.

Additionally, the Department of City Planning is seeking a zoning text amendment (Application No. N 230240 ZRM) to ZR 74-41 to require the Applicant to:

1. Meet findings 1 through 6 as already written in ZR 74-41;
2. Provide adequate public spaces that are “commensurate with the civic importance of the site”;
3. Ensure that the public spaces encourage pedestrian flow, provide suitable amenities, and are integrated with the above- and below-grade pedestrian circulation networks;
4. Provide entrances and exits next to open areas and encourage public use and circulation;
5. Ensure that loading operations do not “unduly” hinder the use of public spaces, transit facilities, pedestrian circulation, or the use of adjacent streets; and
6. Be compatible with existing transit facilities as well as with any proposed improvements to such transit facilities.

Although this text amendment application is moving through a public review process, these new findings, which have been written to apply to the part of Manhattan in which the MSG Arena is located¹, will also have to be met by the Applicant. The Applicant will also enter into a restrictive declaration with the City, which will outline requirements and be recorded against the property.

¹ The proposed text specifies Pennsylvania Station Subarea B4 of the Special Hudson Yards District.

BACKGROUND

Since its inception in 1879, Madison Square Garden (MSG) has occupied four sites in Manhattan, including its current location which is above the New York Pennsylvania Railroad Station. MSG is a complex that includes an arena, a theater, operational space, and restaurants. The facility is the busiest arena in the United States. Its current iteration was developed in 1963, pursuant to a special permit, which was established with a maximum capacity of 22,000 seats. That special permit was granted with a 50-year term limit and was modified in 1989 (M 890725 ZSM) to facilitate upgrades to the MSG complex. These upgrades added new circulation at the east side of the Arena and included six new elevators, five new escalators, and a mezzanine within the MSG complex's pedestrian bridge. The facility also added entrances at West 31st and 33rd Streets. The complex was home to the Felt Forum, a bowling alley, and a skating rink, which were later converted into a new theater (the "Theater", formerly known as the "Hulu Theater").

When the 1963 special permit expired in 2013, a new special permit was approved with actions that included a City Planning Commission (CPC) Chairperson certification to eliminate non-bonused plaza area on the site (N 130138 ZCM), a zoning amendment to allow CPC to approve design changes to existing plazas and other pedestrian-accessible open space in connection with the special permit, and the creation of a new provision in the Zoning Resolution to authorize CPC to modify, by special permit, sign regulations applicable to an Arena use on the site as well as a CPC special permit to modify sign regulations. In its approval of the special permit, the CPC made a modification to reduce the term to 15 years; that limit was reduced to 10 years by the City Council.

Land use actions pertaining to open space and signage compliance, the elimination of non-bonused open spaces, and compliance of adjacent properties with special permit compliance, have been approved since the 2013 special permit. The Arena's existing special permit is due to expire on July 24, 2023. The Department of City Planning will issue a comfort letter to ensure that the Arena is able to continue its operations while the special permit and zoning text amendment applications undergo public review.

Area Context

Madison Square Garden is on a zoning lot located between 7th and 8th Avenues and West 31st and West 33rd Streets, a bustling part of Midtown that serves as a major transportation hub and includes high- and mid-rise commercial buildings. MSG sits above New York Penn Station, the busiest transit facility in North America, which connects commuters and visitors to the Amtrak, Long Island Railroad, NJ Transit, and the A, C, E, 1, 2, and 3 Subway lines. In addition to rail and Subway lines, there are eight local bus routes that stop within a quarter mile of the Site. An additional 23 express bus routes and a free New York Waterways shuttle bus also serve commuters in the area.

Directly to the north of the MSG block is Plaza 33, a pedestrian plaza that opened in 2015 and includes an entrance to the Long Island Railroad (LIRR) concourse. The Moynihan Train Hall, a landmarked building that previously served as a post office, is to the west of the LIRR. While the

2021 opening of Moynihan provided a new train hall, the facility only serves Amtrak and LIRR commuters. Meanwhile, Penn Station continues to experience severe operational challenges. Parts of the station still see crowding during peak periods, while its public areas lack suitable amenities and accessibility. The station's main train has low ceiling heights in some areas, a lack of uniform wayfinding signage, and does not receive natural light, creating what many commuters describe as a subpar environment.

In 2020, Empire State Development, acting on behalf of New York State, announced a General Project Plan (GPP) to fund improvements to Penn Station and accommodate a potential expansion to the block to the south of the station. The plan was modified in 2022 and in July of that year the Public Authorities Control Review Board (PACB) voted to approve the funding agreement for the GPP. The GPP includes the construction of 10 new buildings with commercial office, retail, community facility, hotel and residential uses across eight development sites. This development will help fund improvements to Penn Station, including the expansion of below-grade public concourses, moving all public platforms and public-facing services to the lower level, increasing ceiling height, adding a new above-ground train hall (a portion of which would extend onto the MSG site). Property owners who develop properties as part of the GPP would have to provide improvements that include 18 new station entrances, sidewalk widenings, stairways, and other improved circulation measures. Plans also include a new public plaza, enhancements to existing open spaces, and the study of a shared street on West 31st Street between 7th and 8th Avenues.

Amtrak is undertaking a separate effort to plan for a potential expansion of Penn Station that would add seven new tracks directly to the south of the station. This project would help accommodate trains coming into Manhattan as part of the Gateway Program, which will repair and update the existing rail and tunnel infrastructure that connects New York and New Jersey while also providing new rail tunnels and increasing reliability.

Additionally, the Metropolitan Transit Agency (MTA) has begun construction on its Penn Access project, which will provide four new stations along the Metro-North Railroad's New Haven line, giving commuters direct access to Penn Station. The project is slated to be completed by 2027.

Site Description

The MSG Complex includes the Arena, the Theater at the Garden, and accessory spaces including a 11,400 square foot expo center, retail vendors, eating and drinking establishments, suites, internal loading and circulation space and back-of-house and mechanical spaces—all in a 12-story cylindrical building. A pedestrian bridge connects the 2 Penn office building to the eastern side of the Arena. Four escalators in the Arena building provide access to the four “tower” corners of the site. The building on 8th Avenue, which extends from the cylindrical building, houses portions of the Arena and the Theater at MSG. The MSG Complex contains a total of 987,243 square feet of floor area.

There are several open areas on the site, portions of which were considered plazas under the 1961 Zoning Resolution. The site includes loading areas that facilitate the operations of the MSG

Complex. The Applicant owns the midblock driveway between the MSG Complex and 2 Penn. This area is also known as the taxiway because it served as taxi access for Penn Station but was closed after September 11, 2001. The taxiway is currently used for pedestrian access to both Penn Station and MSG and also serves as loading space for MSG, 2 Penn, and Penn Station. The pedestrian walkway connecting 2 Penn and MSG is located above the taxiway. There is an easement on the midblock driveway that benefits Amtrak, LIRR, NJ Transit, and Vornado, the owner of 2 Penn.

Open areas on the site have various signs and plaza identification plaques pursuant to the Area's 2013 special permit. Other large signs are also located on the site, including LED panels and static signs.

Proposed Improvements

The Applicant proposes four enhancements to the public open spaces in the site in exchange for receiving the special permit in perpetuity. These enhancements include replacing the walking surface of the open areas to be consistent with surrounding open areas, installing 9 planter benches in the open areas at the West 33rd Street and West 31st Street Penn Station entrances on 8th Avenue. In an open area to the west of the taxiway, the Applicant proposes to install planters, new lighting, and 20 bike racks with a capacity for 40 bikes.

As part of their application, the Applicant has submitted a loading plan, which proposes continued usage of the taxiway for loading, with the Arena's loading entrance at West 33rd Street and Amtrak's loading entrance on West 31st Street. The applicant also proposes to keep the loading entrance for the Theater on the corner of West 31st Street and 8th Avenue. The plan notes that the State's proposed midblock train hall would significantly reduce the size of the driveway that is currently used by loading trucks and would not accommodate any additional staging space for trucks beyond what exists on the site today.

COMMUNITY BOARD RESOLUTION

Manhattan Community Board 5 ("CB5") held two public hearings regarding these applications on February 22, and March 8, 2023. On April 11, 2023 the Board voted in support of DCP's proposed zoning text amendment, noting that the additional findings were comprehensive and addressed major concerns for the area. The Board recommended denial of the special permit unless certain conditions were met, including limiting the term of the special permit to three years. CB5 listed necessary interim improvements for the area, including a new public bathroom, wayfinding signage, additional bike storage, and a solution to keep trucks off the public rights-of-way. The Board also noted its support for the permanent relocation of the MSG complex.

BOROUGH PRESIDENT'S COMMENTS

For decades, the future of Penn Station has been tangled up in the question of whether Madison Square Garden could be relocated.

When MSG's special permit was last extended in 2013, the hope was that a ten-year term would be sufficient to plan and complete the relocation of the arena. But today a plan for relocation is no closer to reality than it was a decade ago.

50 years since its construction, MSG is still on top of Penn. And while the MTA and Amtrak have made significant improvements to the station in recent years, the busiest rail station in North America is far from the top tier transportation hub that it could and should be.

MSG may yet move. But there's a problem with continuing to wait for this: There is not currently a viable alternative site with a willing property owner, community buy-in, and mass transit access comparable to that of the arena's current location. There is also no clear way to pay for the multibillion-dollar cost of relocation.

But that doesn't mean we can't create a world class Penn Station.

By using the leverage of the special permit approval process, I believe we have a chance to—finally—make the vision of a grand train hub a reality. This will require cooperation by all railroads on the site (Amtrak, NJ Transit, MTA), and it will require that MSG make significant accommodations and concessions to ensure that the arena is compatible with an improved Penn Station.

It is my view that key elements of such a plan should include:

- The creation of a new grand train hall on 8th Avenue (necessitating the demolition of the MSG Theater) as well as new station entrances at the midblock;
- A new perimeter building around MSG, which would allow station operations to be moved to the perimeter of the site, thus opening up room for a double height concourse throughout the station;
- Activation of the sidewalk via a new perimeter building which will include retail and other engaging uses on 8th Avenue;
- Clearance in the taxiway to allow through-traffic for loading trucks to enter on West 33rd Street and exit on West 31st Street; and
- A new truck loading area underneath the Arena, to avoid the current need for trucks to unload outside, which at present often causes disruptions in the surrounding streets.

I believe the case for demolishing the Theater at MSG and creating a grand train hall on 8th Avenue is particularly compelling. While the MTA estimates that only 30% of Penn passengers come from the west, that amount alone would make the 8th Avenue entrance the fourth busiest rail hub in America. The estimate of over 100,000 daily riders entering from the street on the west side of Penn dwarfs the 8,000 total riders currently using Moynihan daily. And the rapid growth of new housing and offices in Hudson Yards and nearby means the number of users entering Penn from this direction is certain to grow.

The presence of the Theater today means there is currently a blank wall on 8th Avenue, making for an extremely uninviting streetscape. Demolition of the Theater would open the façade for more active uses, allow a widening of the sidewalk, and eliminate the disruption of trucks unloading before shows on the corner of West 31st Street. A grand new entrance on 8th Avenue would pair nicely with the Moynihan Train Hall across the avenue and would help achieve the goal of unifying the whole two-block complex.

Implementing an ambitious redesign of Penn that is compatible with the Arena will require that MSG cooperate in significant ways. The special permit process should be used to ensure this outcome.

I support DCP's proposal for a zoning text amendment which would require MSG to provide adequate public spaces, amenities, and entrances compatible with the transit facilities and with above- and below-grade pedestrian circulation.

I also support DCP's assertion that MSG should enter into a restrictive declaration with the City, which will outline requirements and be recorded against the property. I believe that MSG should also exchange property rights for the so-called taxiway to accommodate an enclosed loading facility for MSG and loading operations for Amtrak and 2 Penn. This part of the block should also include new entrances to provide commuters access to Penn Station.

MSG also needs to provide the easements necessary to facilitate the conversion of the Theater at MSG into a new train hall on 8th Avenue and work on plans for the creation of a new façade around the perimeter of the arena that would relocate operational equipment and activate the sidewalk.

MSG must also improve accessibility in the arena for patrons with disabilities.

I support extending the special permit for a period of five years to allow time for completion of designs for a new transit hub, ensure cooperation from MSG, and focus the attention of the three rail agencies on coming to an agreement on this complicated project.

Transformation of Penn will not be possible without substantial federal support. We currently have strong partners in the White House, at US DOT, and in leadership in congress. That may not be true in the future.

There is now enormous momentum on the site, with the opening of Moynihan Train Hall, widening of the LIRR passage, the new entrance to Penn from 7th Avenue, and upgrades to the public plazas and commercial spaces in the 1 and 2 Penn buildings. These on-site improvements are coupled with massive investments in our regional transportation system now underway, including Penn Access and the Gateway program.

We must build on this momentum to once and for all transform Penn station into a world-class facility worthy of our great city. With sufficient focus and will from all parties, we have a chance

in the coming five years to lock in a plan for such a bold transformation. That opportunity may not come again. The time to act is now.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President recommends **approval** of DCP's ULURP Application No. N 230240 ZRM to amend the Zoning Resolution to add findings to Section 74-71.

And the Manhattan Borough President recommends **conditional approval** of Application No. C230238ZSM for a special permit pursuant to ZR 74-71 on the condition that the following criteria are met:

1. The term of the special permit be limited to a term of 5 years, during which time the Applicant shall present updated plans at a hearing of the community board and obtain certification from CPC that these plans continue to meet the findings set forth in ZR 74-71 and that the arena is compatible with Penn Station and the surrounding area.
2. The Applicant, within the 5-year term, work in good faith with Amtrak, the MTA, NJ Transit, and the DOT to develop plans that include the following elements, which shall be facilitated via easements and exchange of property rights with the appropriate parties:
 - I. Repurpose the Theatre at MSG to serve as a new train hall with frontage, along with street level activation on 8th Avenue; and
 - II. Ensure that the taxiway serves as a loading area that minimizes truck traffic and queueing in the public rights of way while providing new station entrances.
3. The Applicant work with DCP, Community Board 5 and local stakeholders to achieve CB5's recommendation to create an "ambitious public realm scheme.... that include[s] positive activation of the plazas, high quality public realm design, and improved wayfinding"; increased bike storage, and a public bathroom.



Mark Levine
Manhattan Borough President