

East Midtown Study

Introduction

East Midtown Study Area



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Introduction

East Midtown – Office Core



- 80 million sf office space
- 250,000 jobs
- 14 Fortune 500 companies
- NYC financial core
- Unparalleled investment in infrastructure

Area Overview

Best Business Address in the World



Park Avenue



Madison Avenue



Area Overview Iconic Landmarks



Villard Houses



**St. Bartholomew's and
Waldorf Astoria**

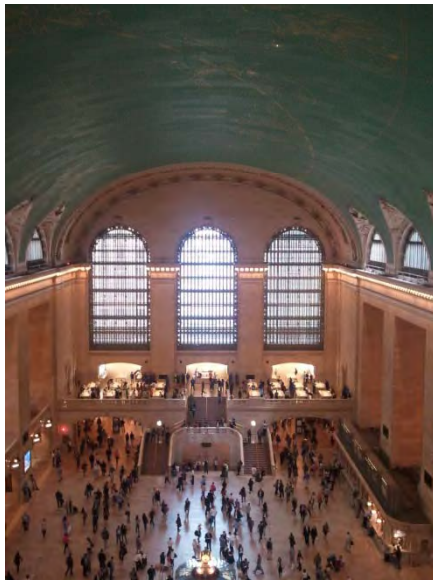


**SOCONY Mobil
Building**

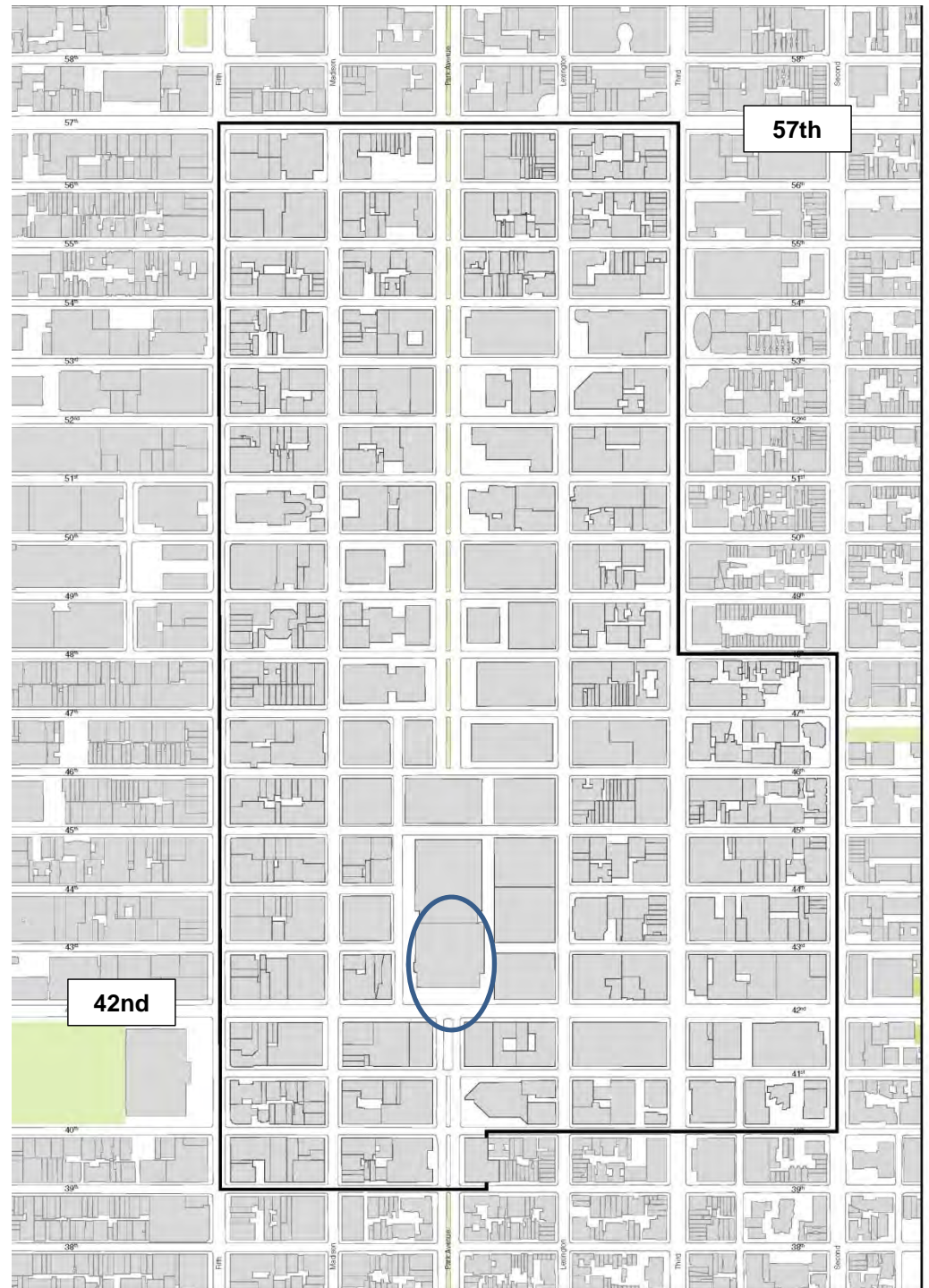


Area Overview

Grand Central Terminal



**Grand Central Terminal
Landmark and Transportation Hub**



Area Overview

Transportation Infrastructure



Image from flickr user Arg768

New Grand Central Terminal



Image from Scientific American, December 7, 1912

Terminal City

Area Overview

Different eras



Image from Municipal Archives

1920s boom



Image from Municipal Archives

1950s/60s boom



1980s boom

Introduction

Post-1982 Planning



1982 Midtown Plan



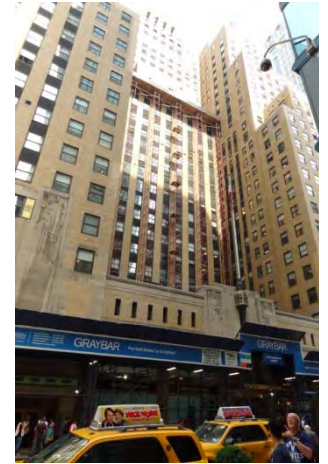
2005 Hudson Yards

Area Overview

Current State and Recent Trends

Current Dynamics

- Key strength is wide range of office space – making for an integrated and dynamic market
- Continued strength in financial and legal industries, with more recent technology and media growth
- Tenants continually moving based on lease length, economic conditions, or differing space needs
- Buildings under near-continuous renovation to maintain desirability



Long-Term Challenges



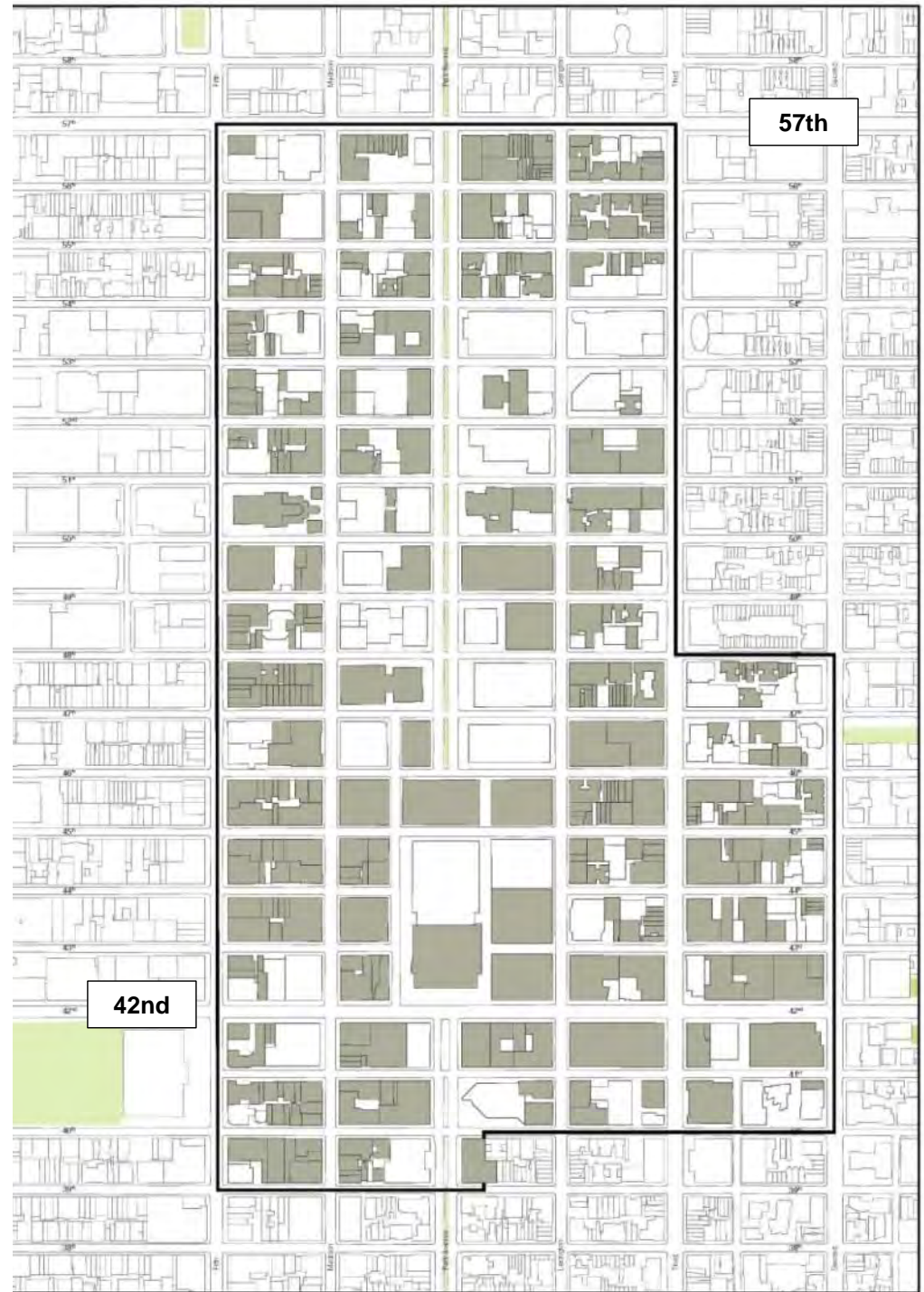
Long-term challenges

Building stock aging

- 80% of buildings are over 50 years old
- Average build year - 1940
- Older buildings have higher vacancy rates
- Many of the buildings do not comply with current zoning presenting an economic disincentive to replacement
- Over long term, older buildings are candidates for conversion to non-office uses

Construction Year - Pre-1961

■ Pre 1961

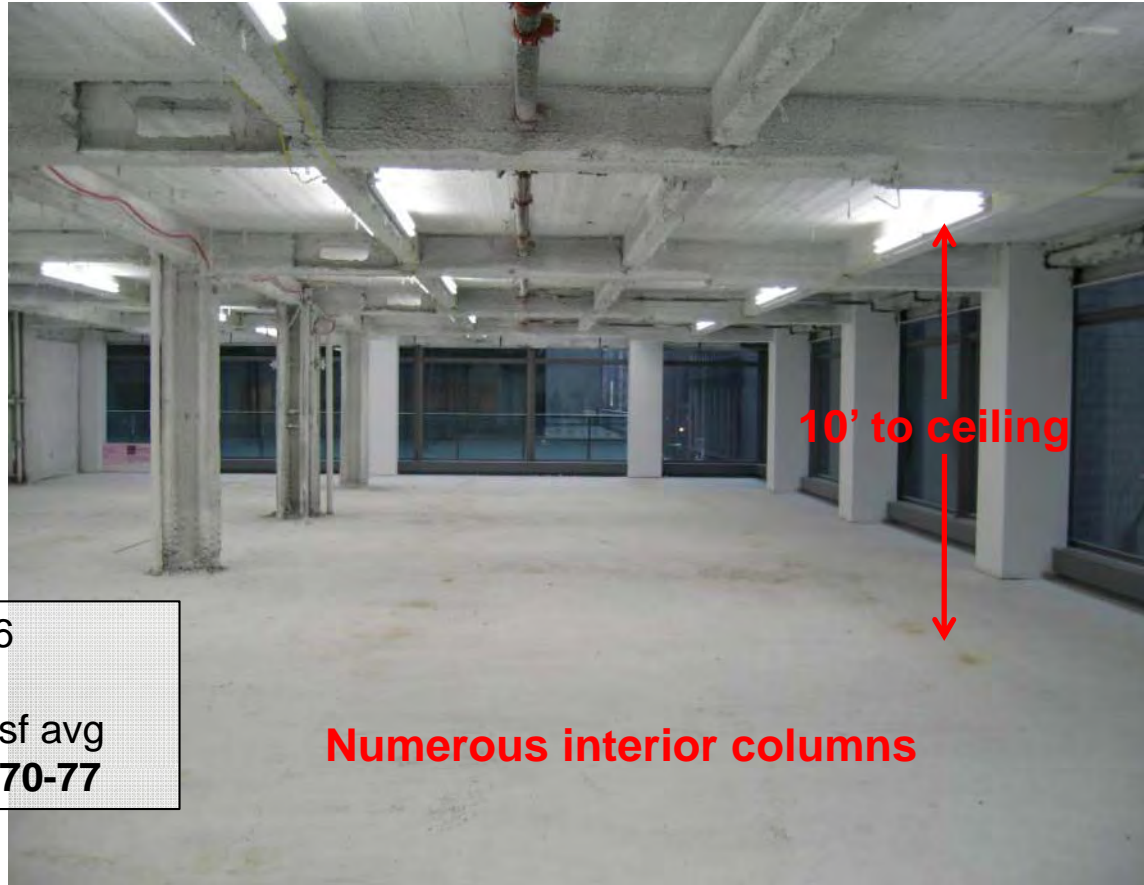


Long-term challenges

Building stock aging



Constructed 1956
Renovated 2010
18 floors - 8,800 sf avg
Average rent - \$70-77



10' to ceiling

Numerous interior columns

Recent Renovation

Long-term challenges

Building stock aging



Constructed 2007
30 floors – 11,500 sf avg
Average rent - \$90-135



New Construction

Long-term challenges
Building stock aging

Recent office building conversions



Library Hotel
299 Madison



Andaz Hotel
485 Fifth Avenue



Courtyard Marriott
866 Third Avenue



5 condo
5 east 44th street

Long-term challenges Limited new development




300 Madison

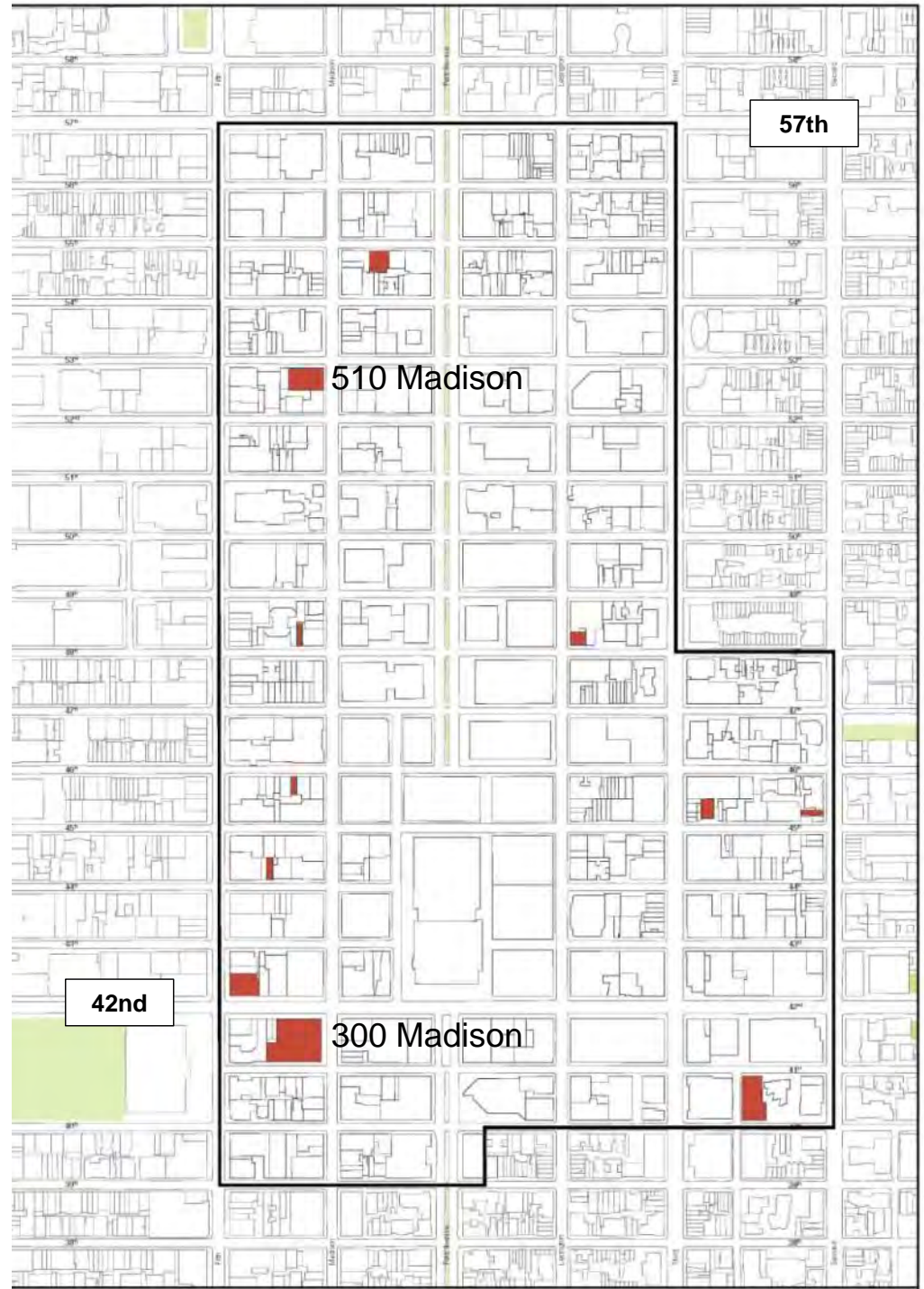


510 Madison

- Only two new office buildings constructed in last decade

Recent Construction (2001-2012)

 Built between 2001 and 2012



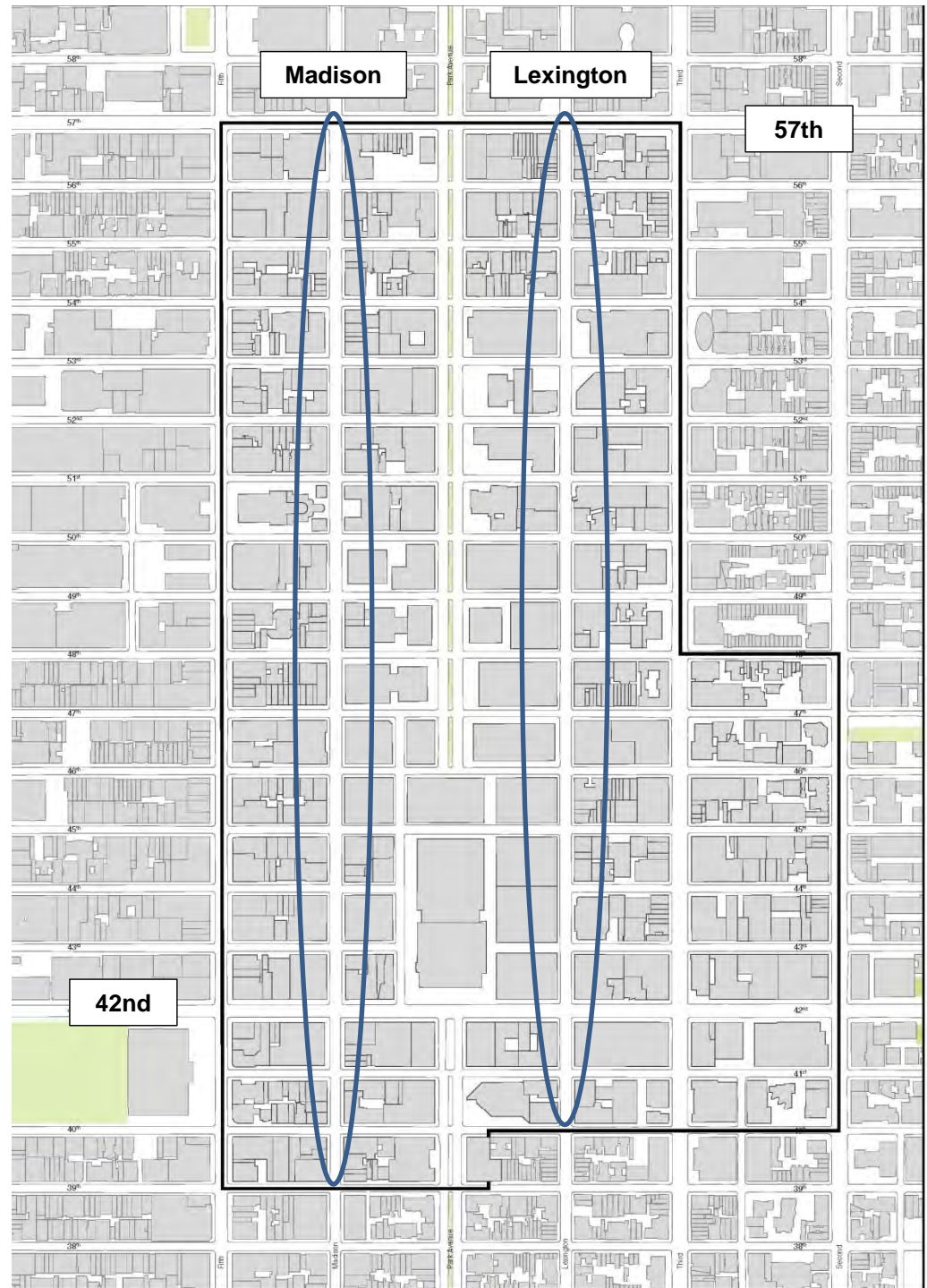
Long-term challenges Pedestrian Network



Madison sidewalks – 13 feet



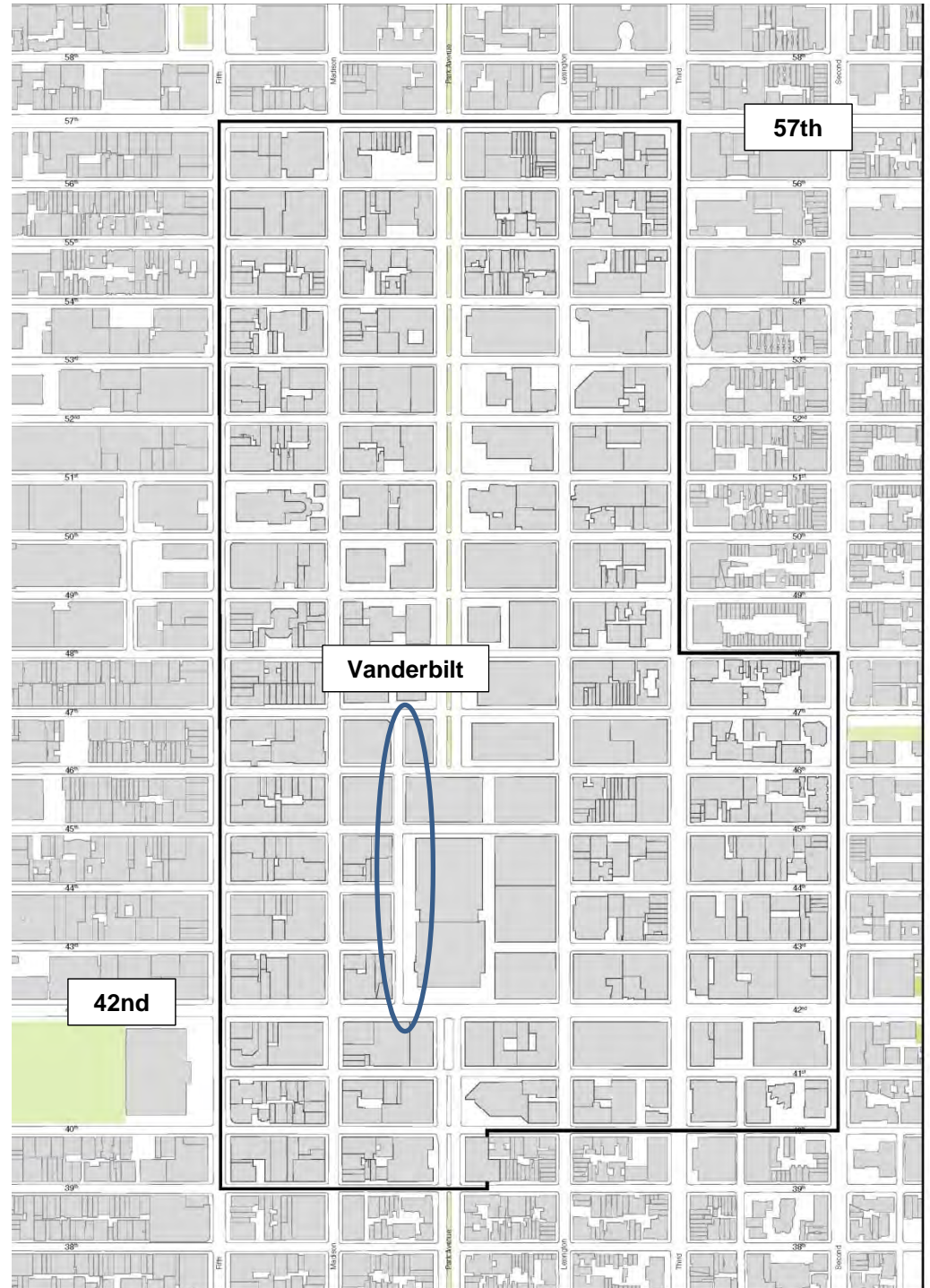
Lexington sidewalks – 12-13 feet
(narrower with subway grates)



Long-term challenges Pedestrian Network



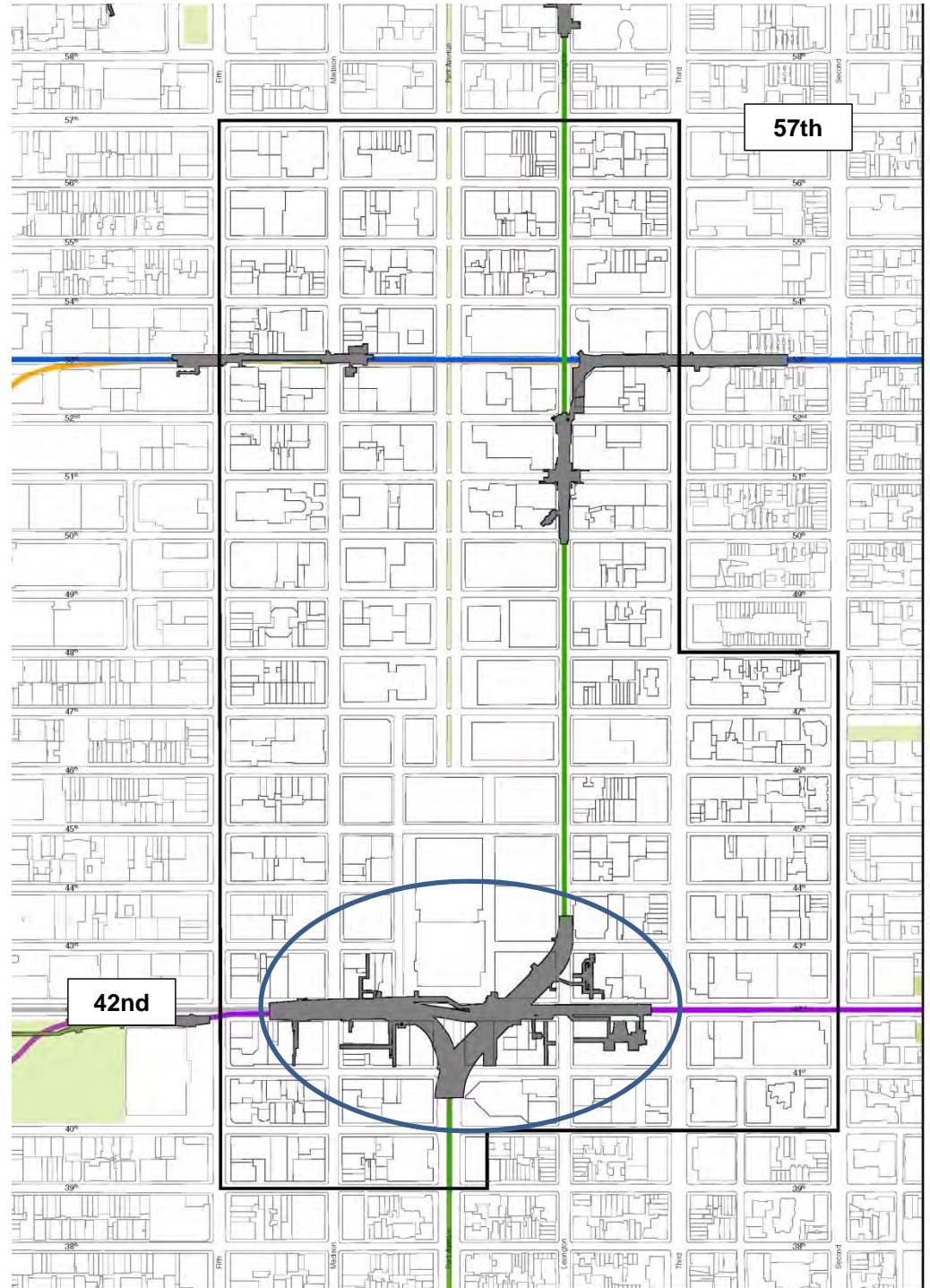
Vanderbilt Avenue



Long-term challenges Pedestrian Network



42nd Street / Grand Central station



Long-term challenges



Limited success of current GC subdistrict zoning

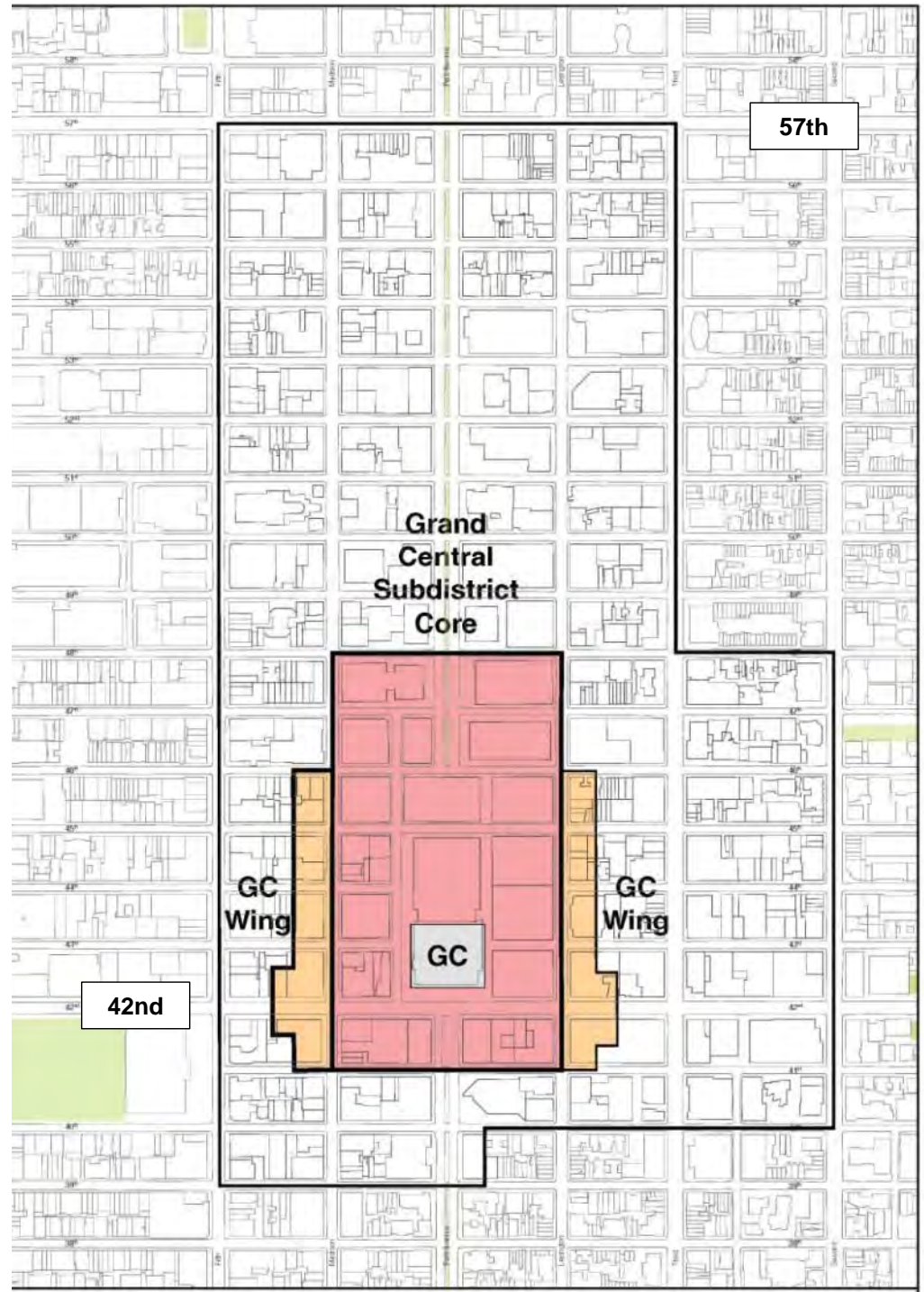


383 Madison

- Maximum 21.6 FAR through special permit in core, 16.0 FAR in “Wings”
- ~1.35 million sf remains unused in subdistrict after 20 years

Grand Central Subdistrict

-  GC Subdistrict Core
-  GC Subdistrict ‘Wings’



Long-term challenges

Competitor Cities - Takeaways



Image from flickr user Arg768

London



Image from flickr user Twiga Swala

Tokyo

- East Midtown buildings are significantly older than competitor cities
- Competitor cities are focusing on providing new space in both historic and new office cores

Long-term challenges

Summary

Building stock aging

- 80% over 50 years old
- Office buildings have outdated structural features like low ceilings and interior columns

Limited new development

- Only two major new office buildings in last decade

Limited success of current Grand Central zoning

- +1 million sf remaining on GCT
- Requires onerous public review process

Pedestrian Network Challenges

- Above- and below-grade

Competitor Cities

- Replacing outdated office space in existing office core districts



Long-term challenges

Consequences



- Integrated and dynamic office market in East Midtown would begin to break down
- Needs of top Class A tenants would go unmet, look elsewhere for space
- More existing office buildings would become conversion opportunities (particularly older Class B, C buildings)
- Area would become less desirable as business district
- Pedestrian realm challenges would remain
- Huge public investment in infrastructure would fail to generate full potential of jobs and tax revenues for City

A Stronger, Better East Midtown



East Midtown continues to be a strong and dynamic commercial district



**Most of East Midtown remains
as is, with most buildings
remaining in their current uses**



**A handful of new
iconic office buildings
add to the area's
cachet and market
dynamism, just as in
previous eras**



Image from flickr user safesurfer

**The area's pedestrian network
is improved, befitting its status
as a world-class business
address**



Policy Direction



Policy Direction

Outline

- Goals
- Long-term Development Framework
- Site Requirements and Mechanisms
- Sub Area Guidelines
 - Grand Central area
 - Park Avenue
 - Other areas
 - Special Permit
- District-wide Elements
 - DIB / Public improvements
 - Non-complying buildings
 - Third Avenue area
 - “Sunrise” provision



Policy Direction Goals

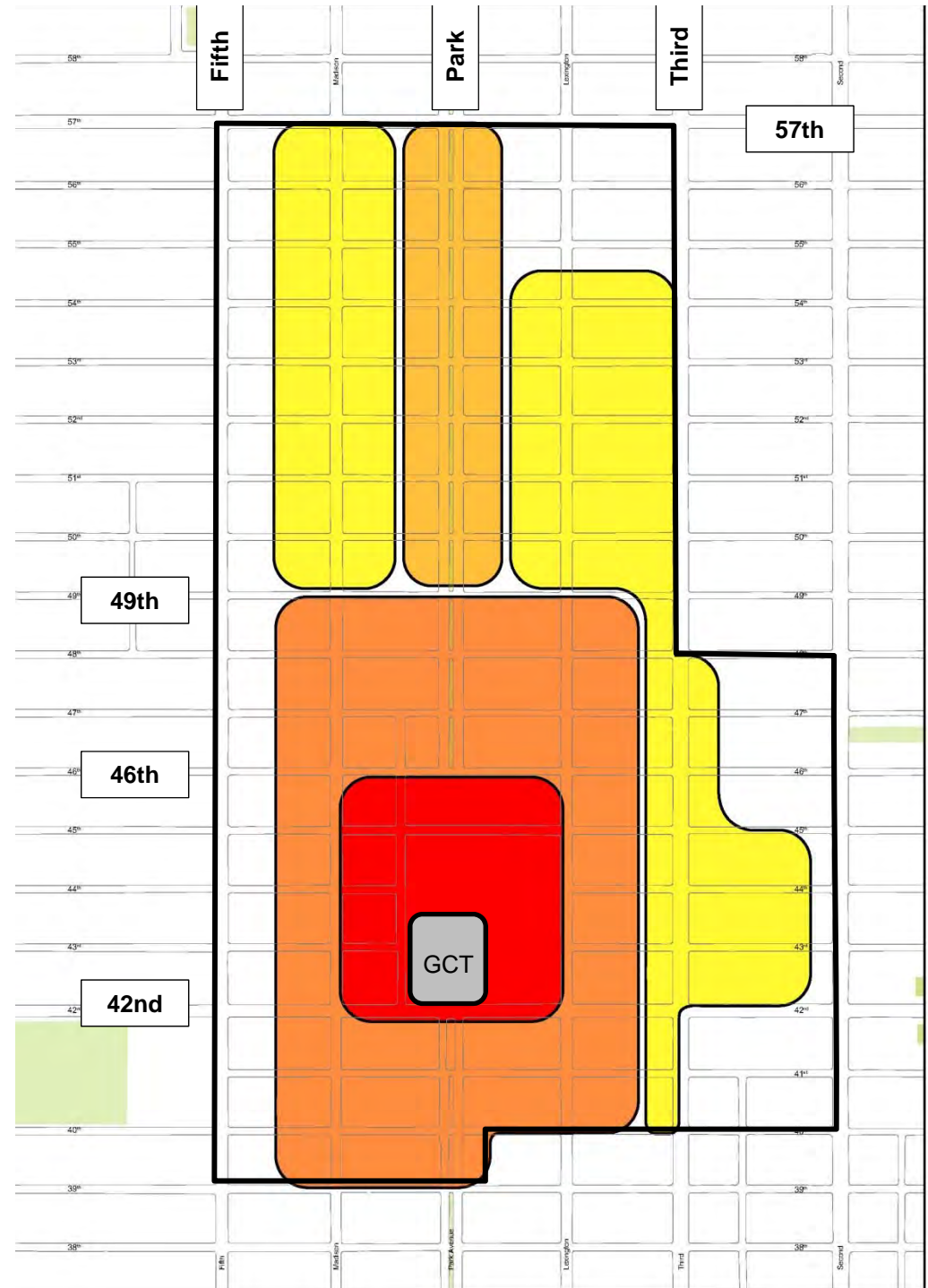
- Protect and strengthen East Midtown as one of the world's premier business addresses and key job center for the City and region
- Seed the area with new modern and sustainable office buildings to maintain its preeminence as a Class A office district.
- Improve the area's pedestrian and built environments to make East Midtown a better place to work and visit
- Complement ongoing office development in Hudson Yards and Lower Manhattan to facilitate the long-term expansion of the City's overall stock of office space



Policy Direction

Long-term Development Framework

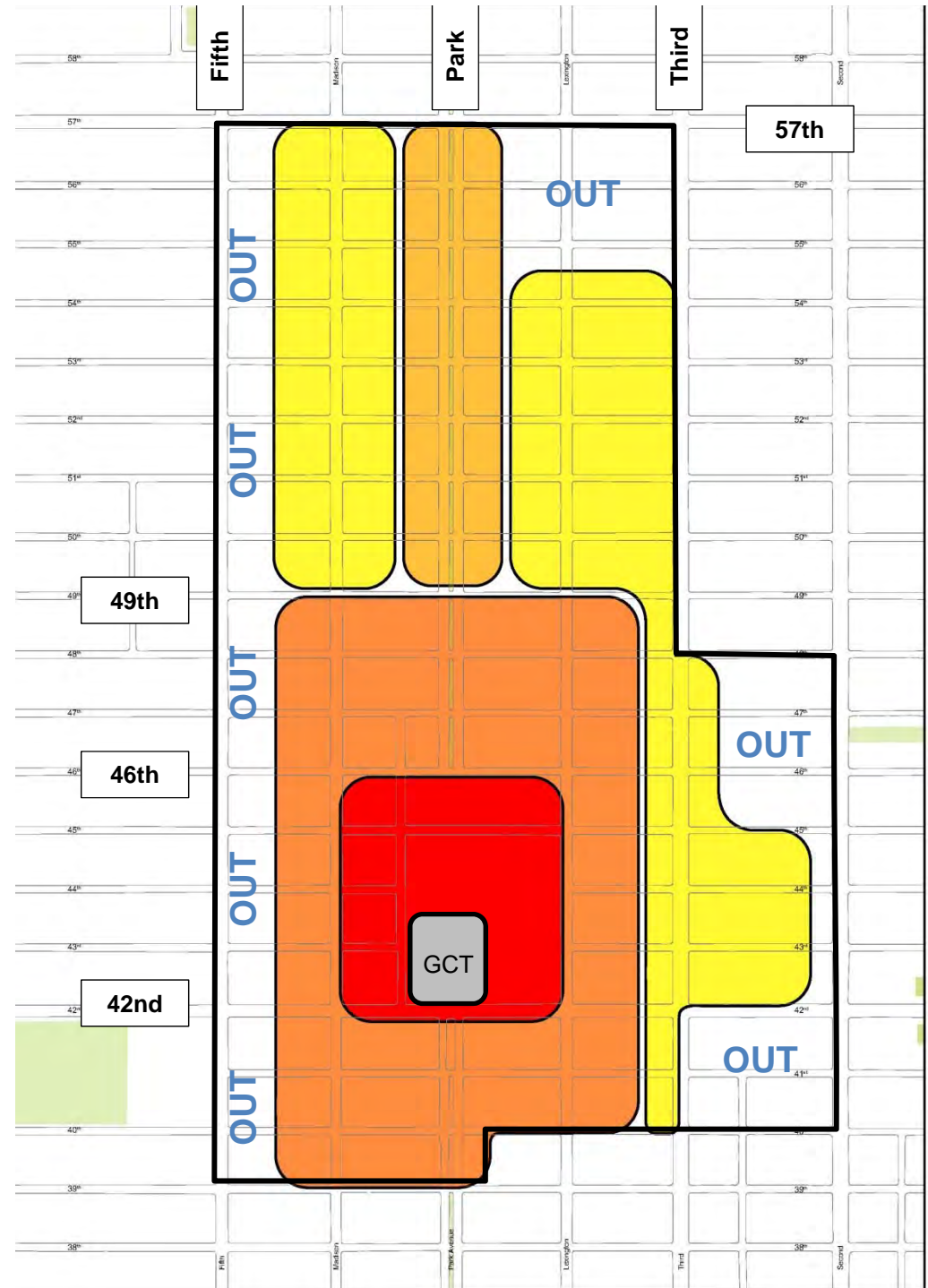
- Most development should be focused around Grand Central Terminal
- Some development should occur along Park Avenue
- More limited development should occur along northern Madison, Lexington avenues, and Third Avenue



Policy Direction

Long-term Development Framework

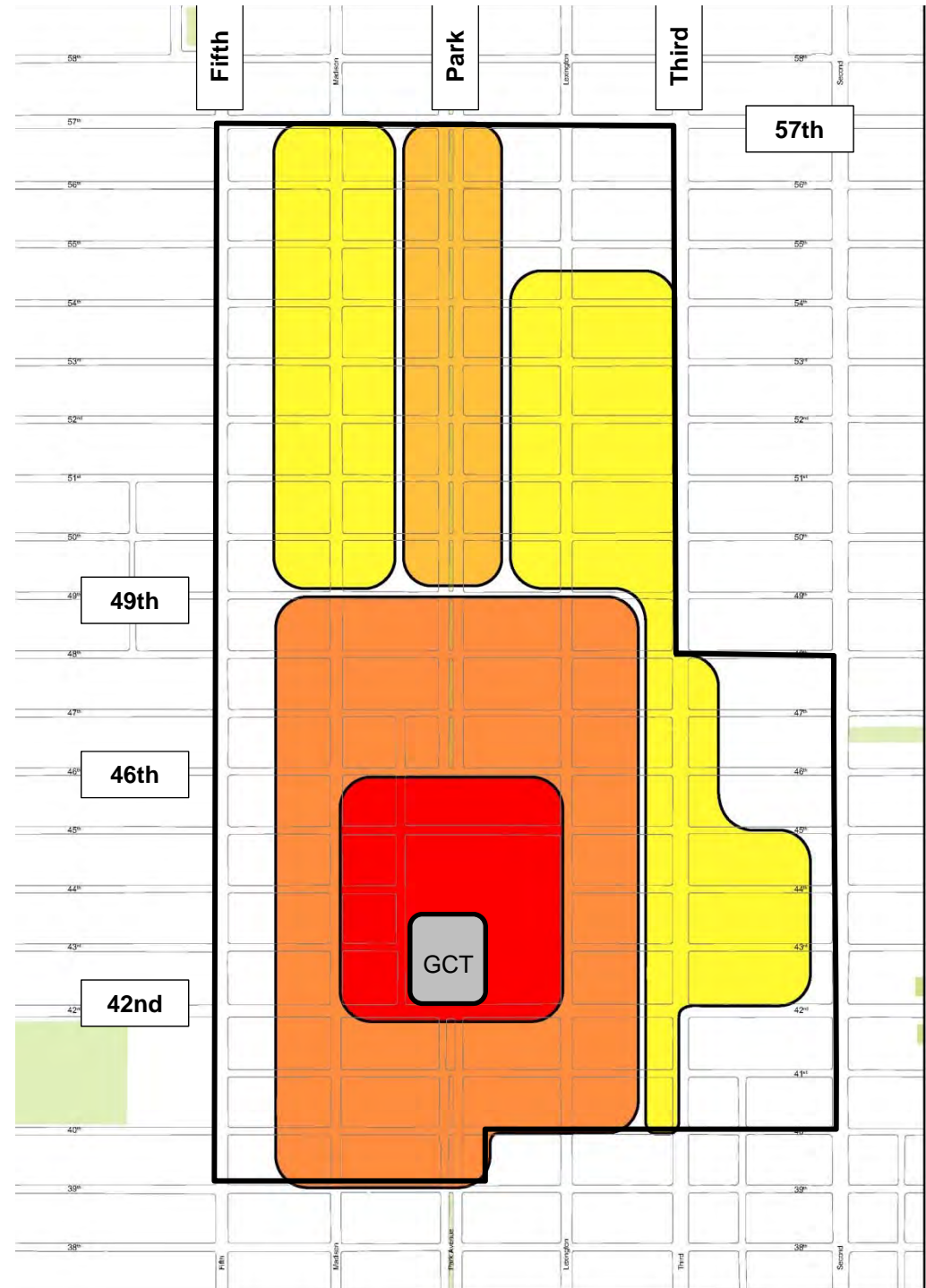
- Most development should be focused around Grand Central Terminal
- Some development should occur along Park Avenue
- More limited development should occur along northern Madison, Lexington avenues, and Third Avenue
- Excluded from Proposal
 - Fifth Avenue
 - Northeastern corner
 - Residential areas east of Third Ave



Policy Direction

Long-term Development Framework

- Most development should be focused around Grand Central Terminal
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Policy Direction

Site Requirements and Mechanisms

Special Midtown District

Existing as-of-right mechanisms

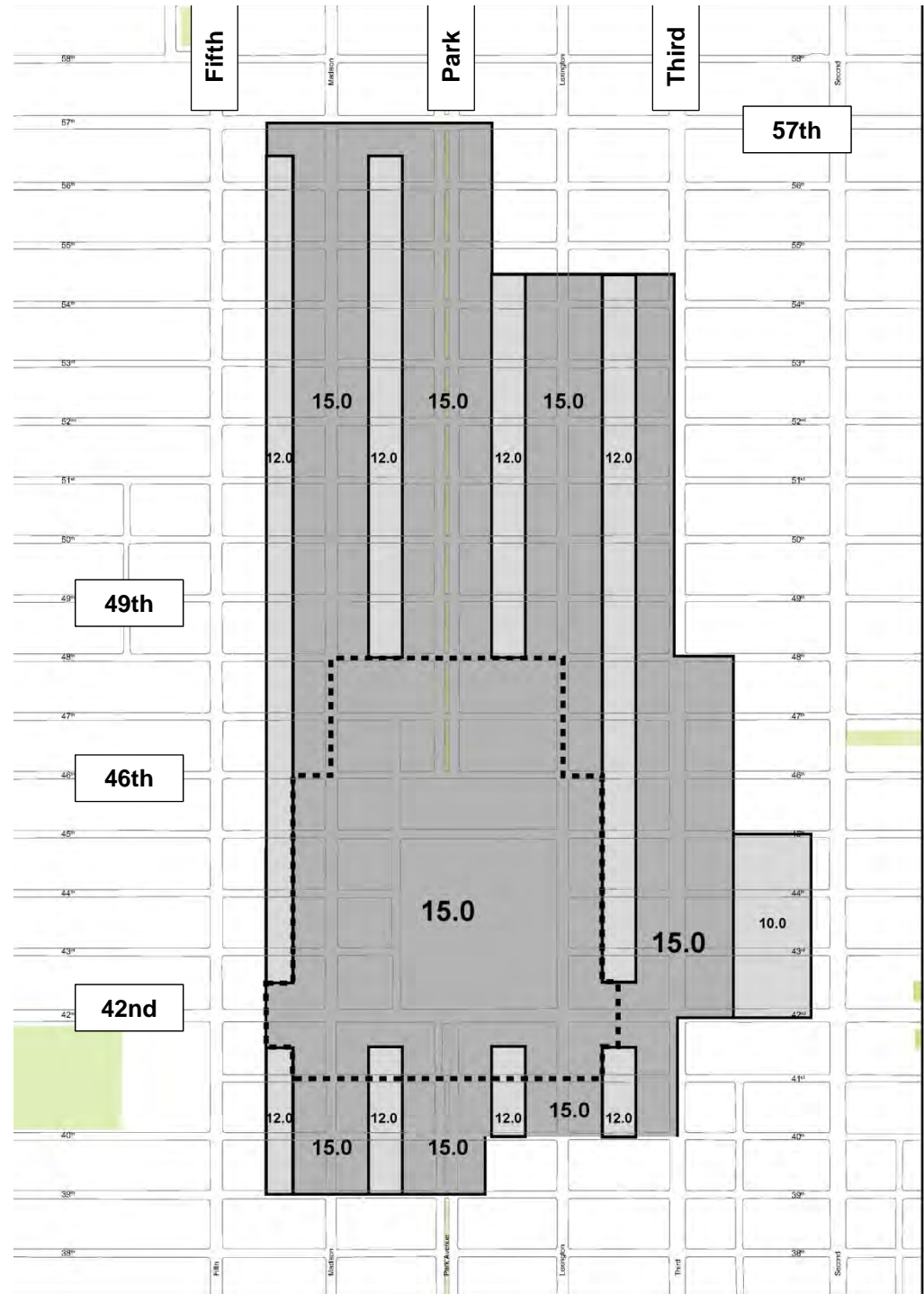
- Plaza bonus

Existing special permit mechanisms

- Subway improvement bonus
- Landmark transfer

21.6+ FAR achievable through discretionary mechanisms

For most sites, existing zoning framework will remain



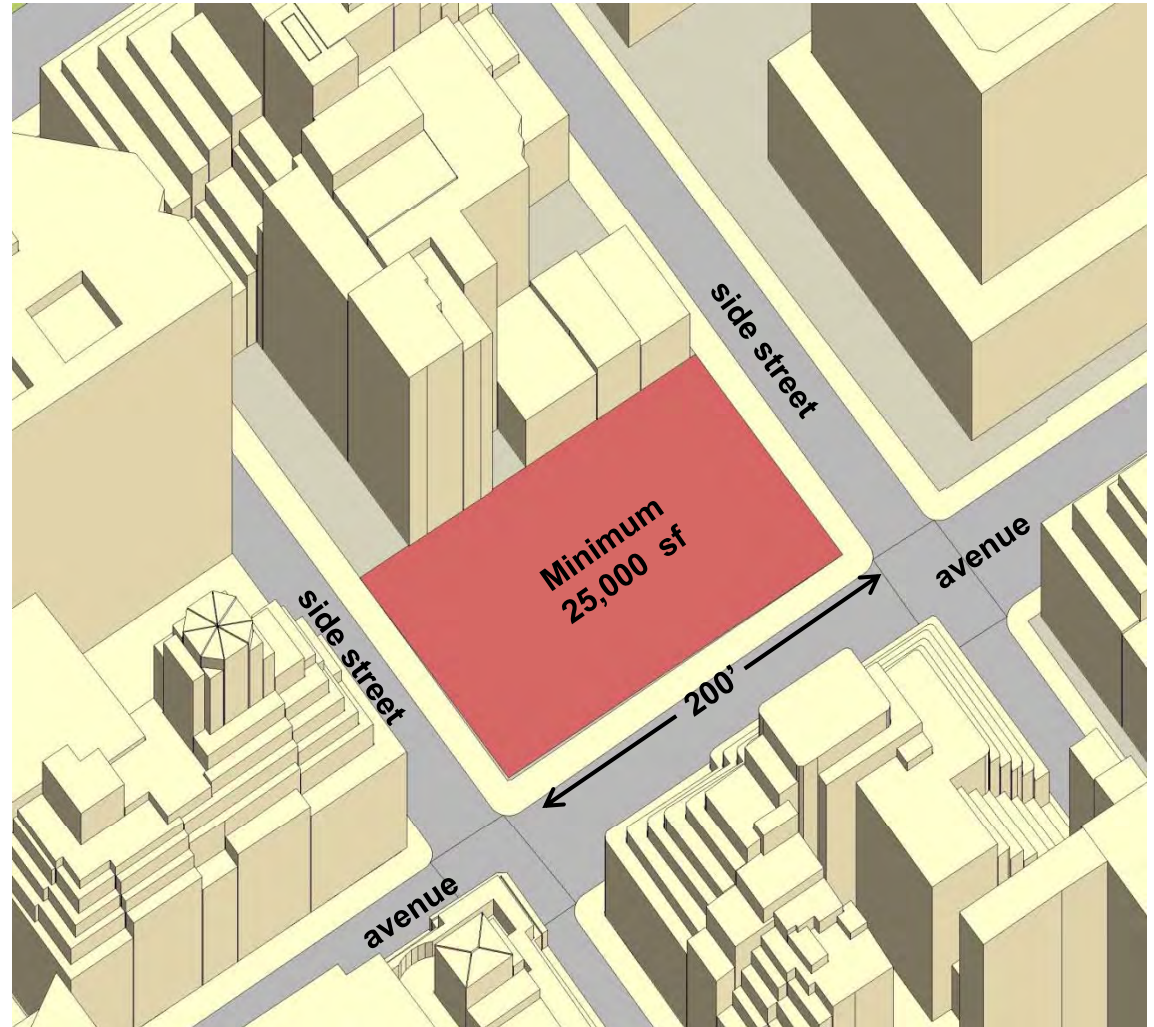
Policy Direction

Site Requirements and Mechanisms

New zoning mechanisms are applicable to sites appropriate for significant new commercial buildings

Qualifying Sites would require:

- Full avenue frontage
- Minimum site size of 25,000 sf
- Commercial FAR only



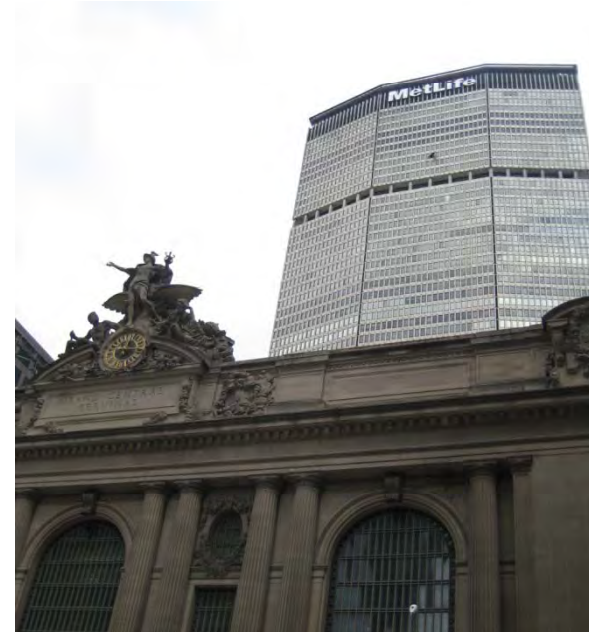
Policy Direction

Site Requirements and Mechanisms



District Improvement Bonus

Higher maximum FAR permitted as-of-right through contribution to fund for area-wide pedestrian network improvements

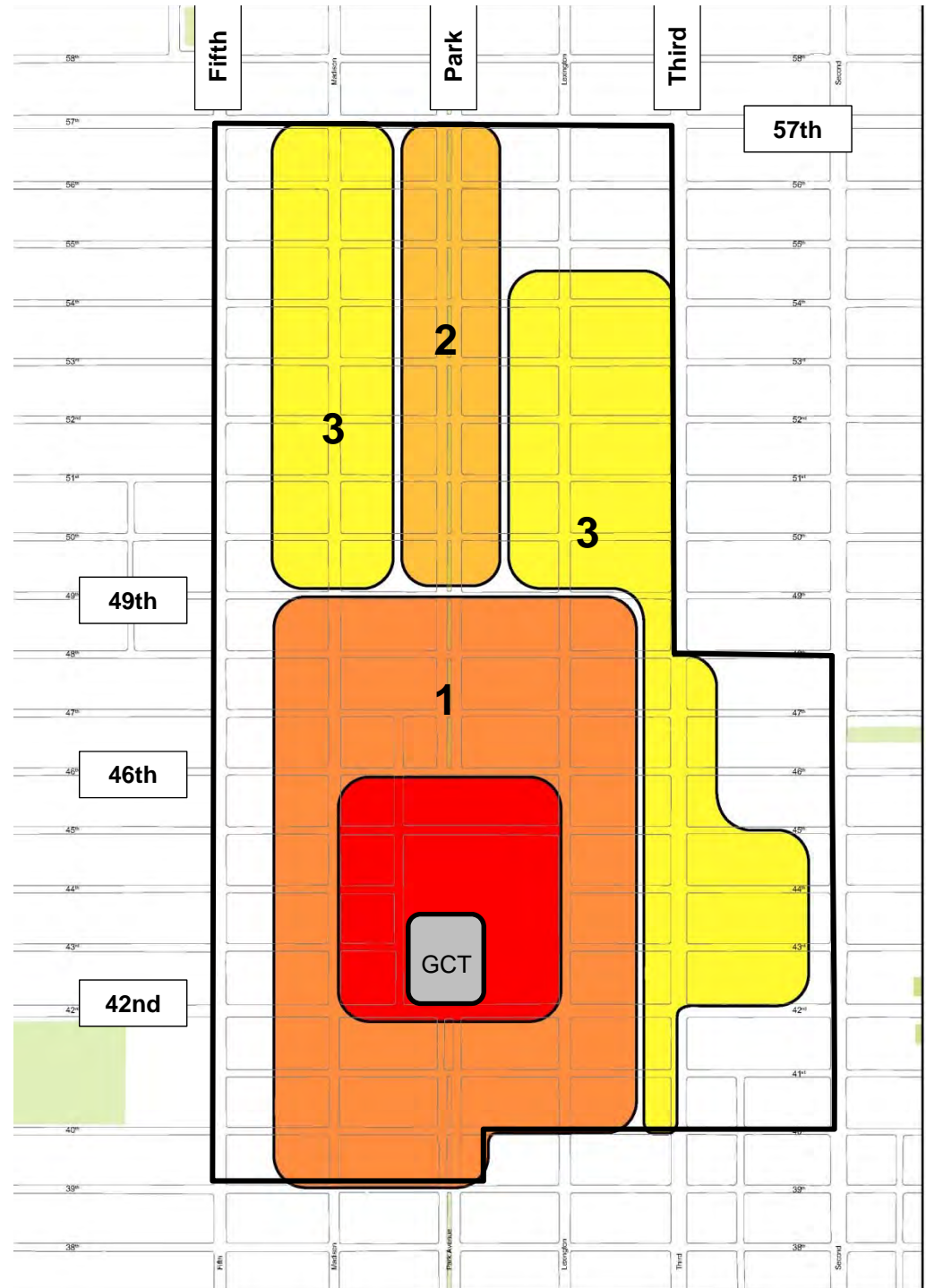


Landmark transfer

Higher maximum FAR permitted as-of-right around Grand Central through floor area transfers from landmark buildings

Policy Direction Sub Area Guidelines

- 1) Grand Central Area
- 2) Park Avenue
- 3) Other Areas

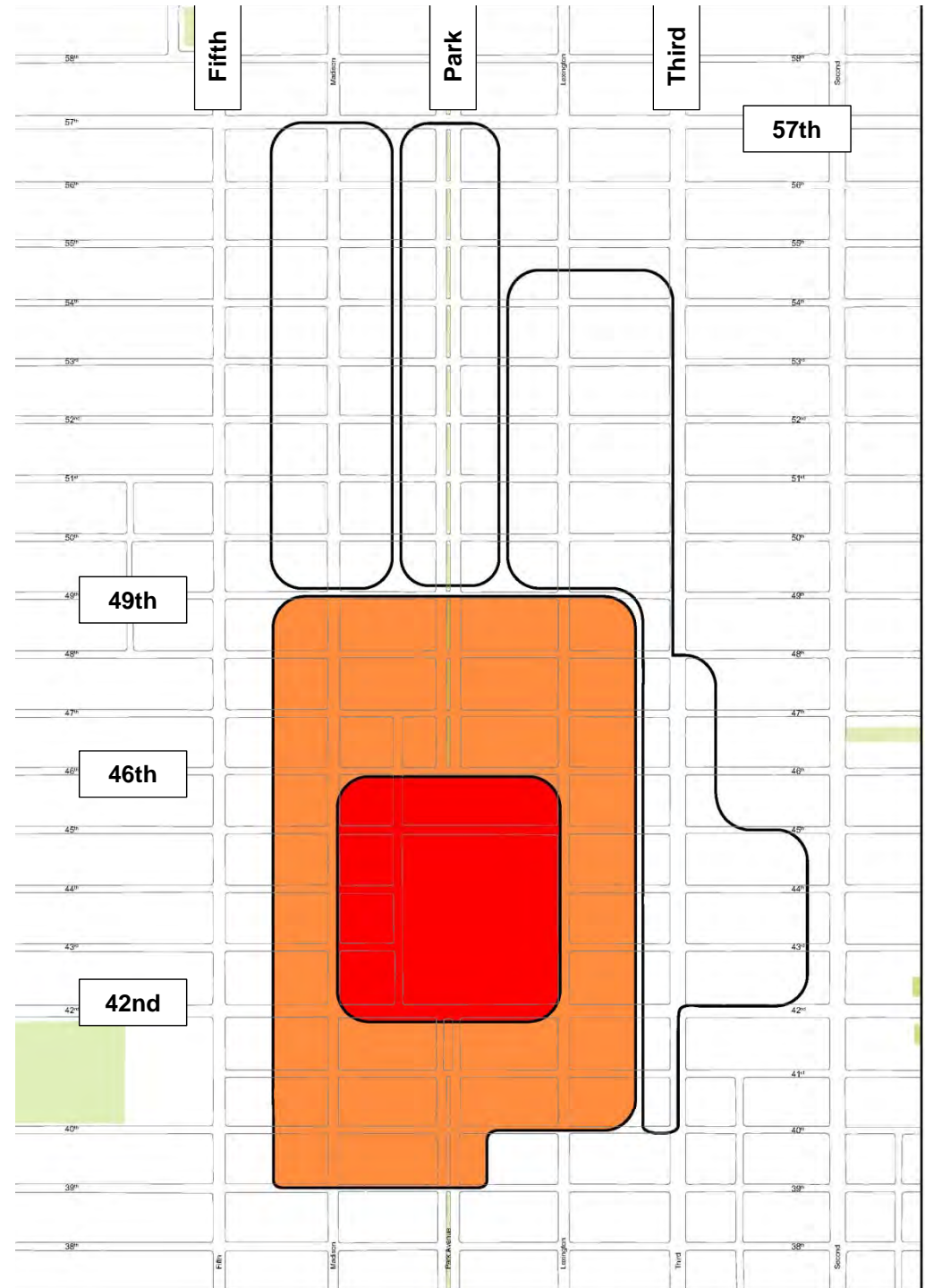


Policy Direction

Sub Area Guidelines - Grand Central



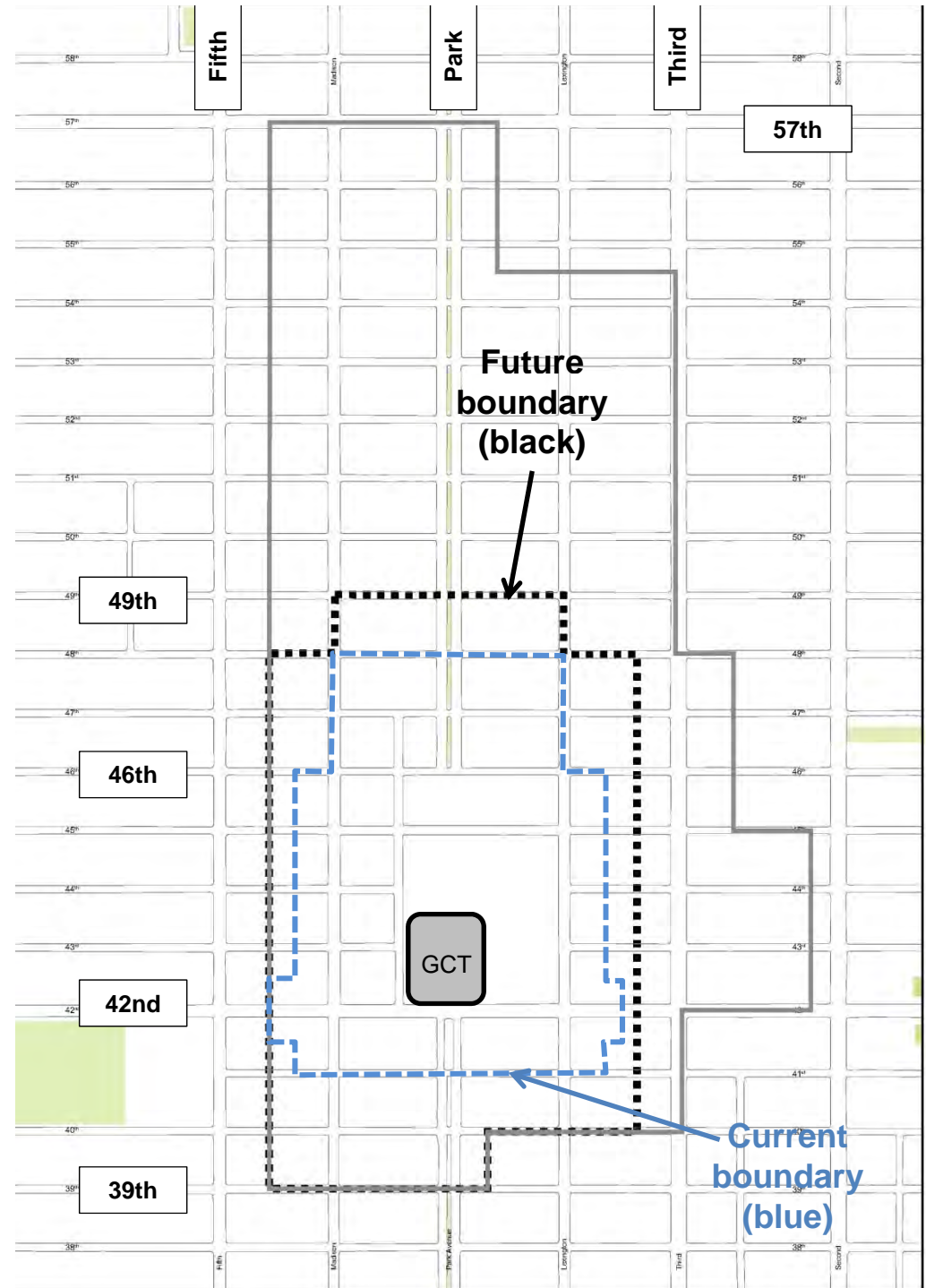
- Over long term, most new development should be focused around Grand Central Terminal
- Area has best transportation access, largest concentration of aging office stock



Policy Direction

Sub Area Guidelines - Grand Central

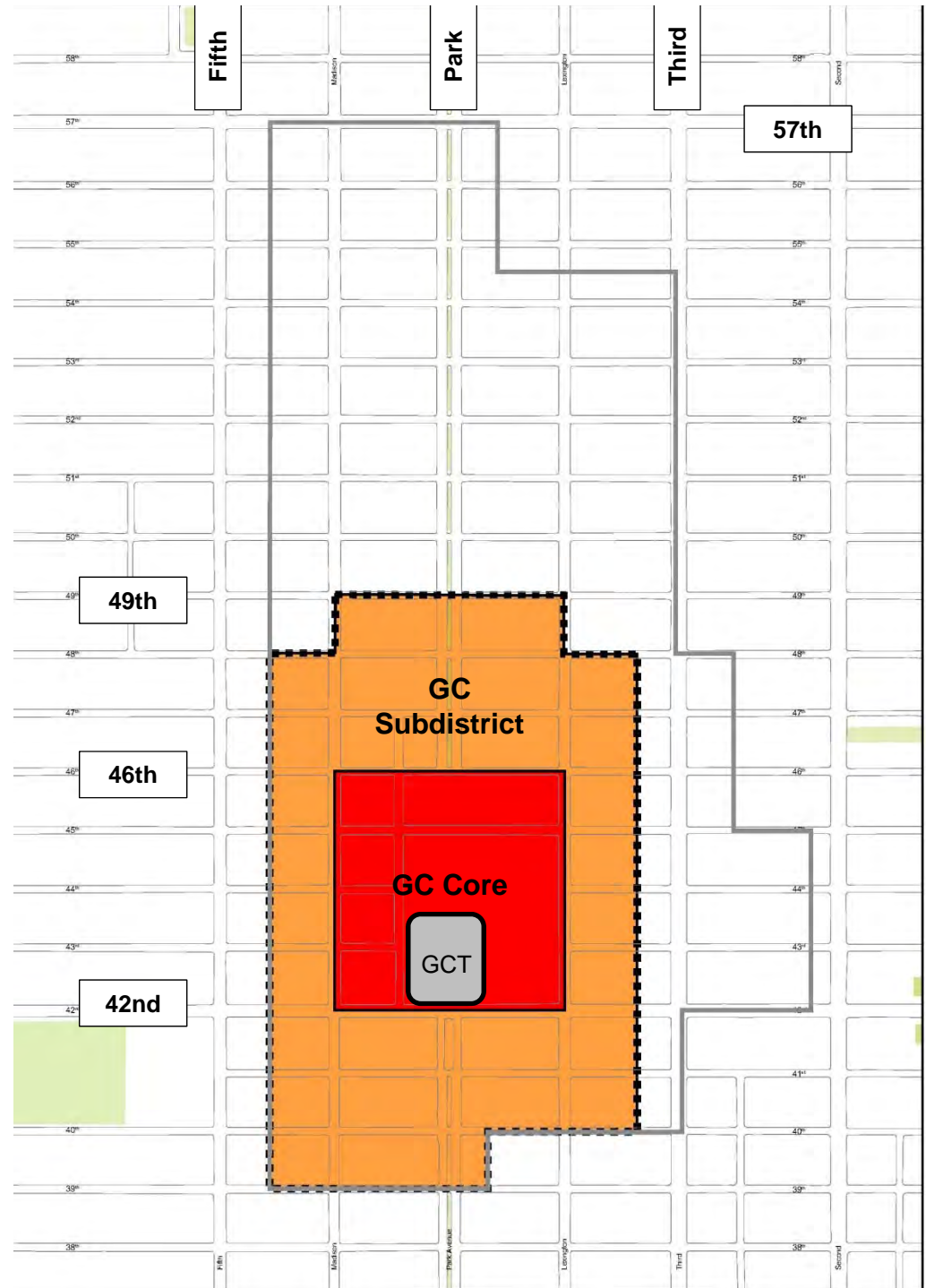
- Existing Grand Central subdistrict would be expanded



Policy Direction

Sub Area Guidelines - Grand Central

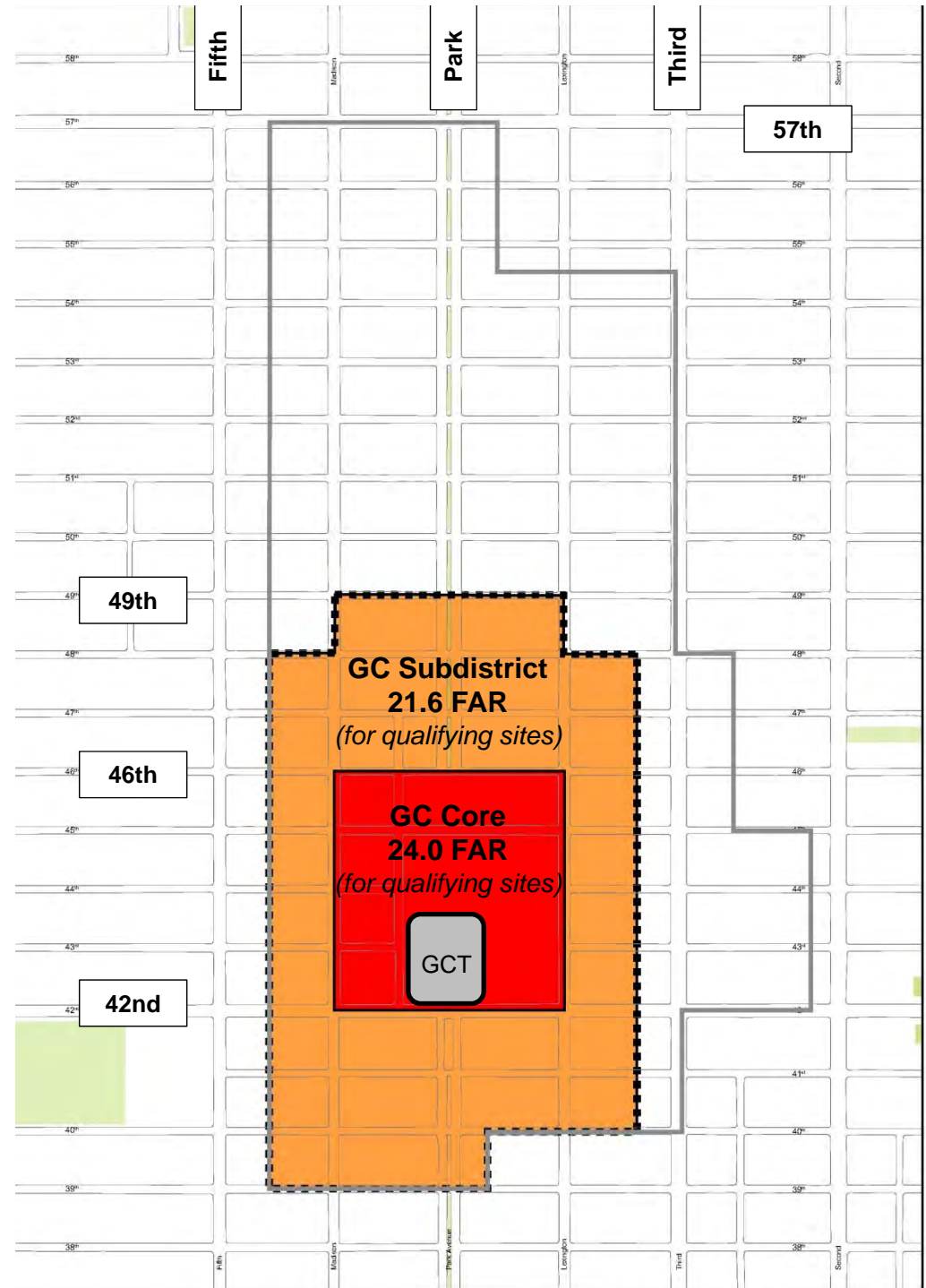
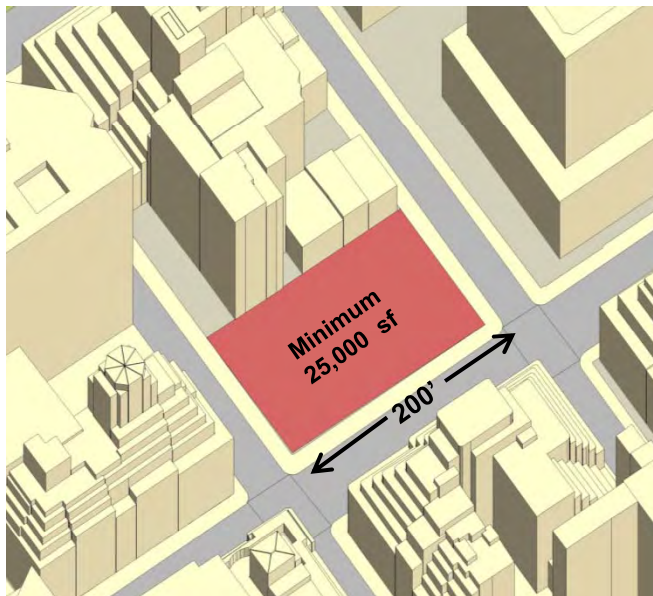
- Existing Grand Central subdistrict would be expanded
- Grand Central Core area established



Policy Direction

Sub Area Guidelines - Grand Central

- Existing Grand Central subdistrict would be expanded
- Grand Central Core area established
- Only sites with full avenue frontage and >25k permitted higher as-of-right FAR through District Improvement Bonus and landmark transfers



Policy Direction
Sub Area Guidelines - Grand Central

21.6 FAR - Comparable Buildings



383 Madison –
~750'



200 West Street
(Goldman Sachs bldg)
~750'

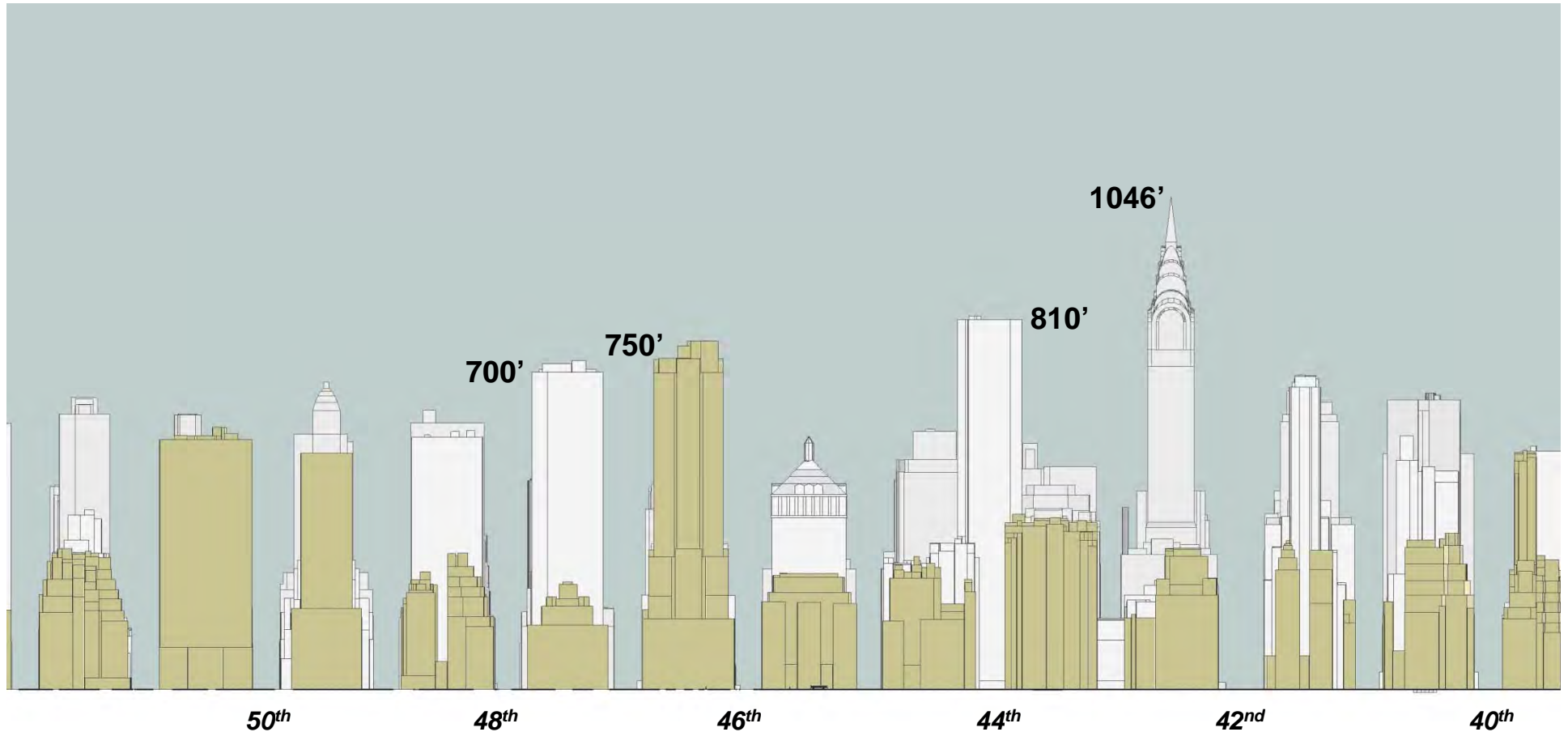
**24.0 FAR –
Comparable Building**



Image from flickr user NYMAN2010

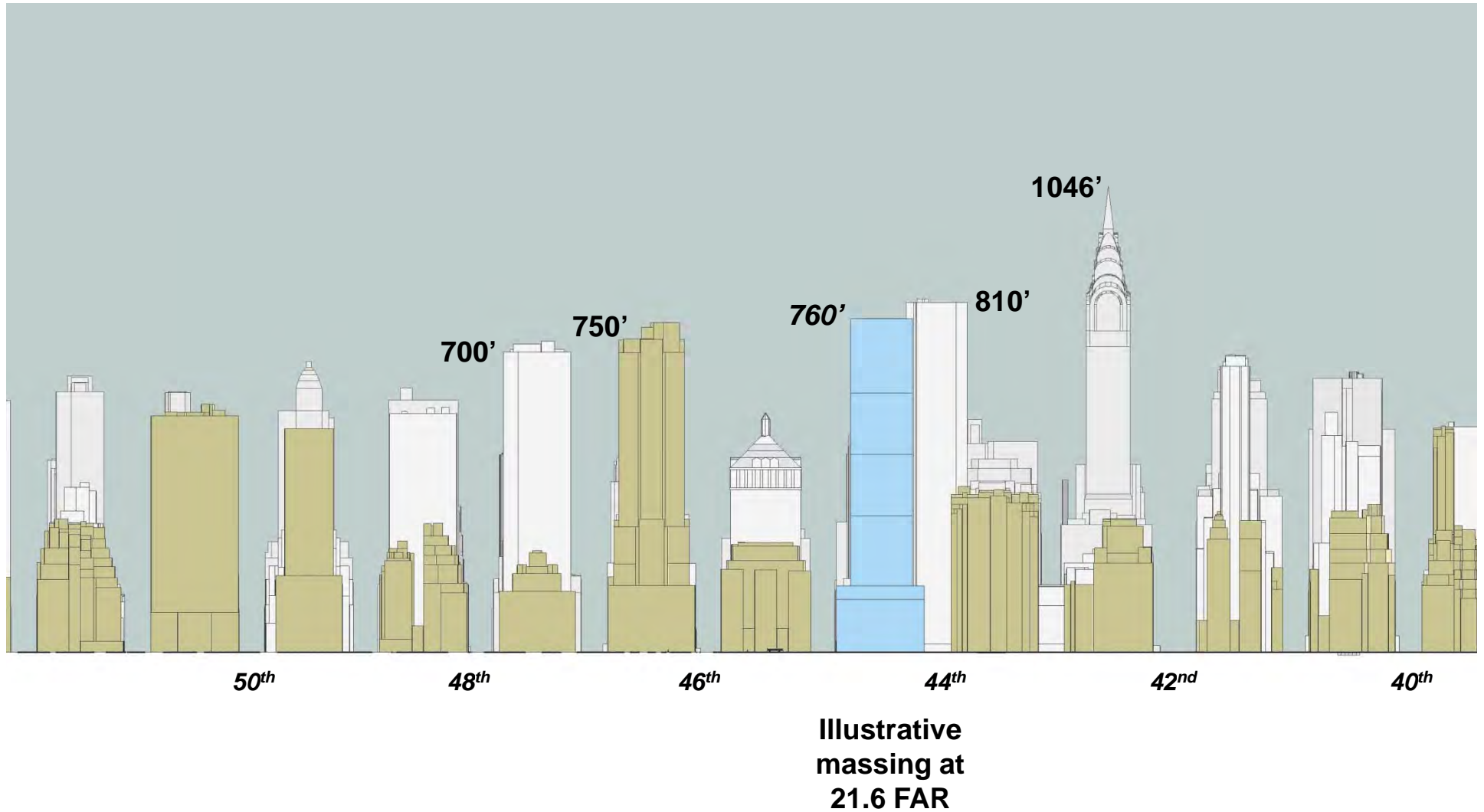
1 Bryant Park
~900'

Policy Direction
Sub Area Guidelines - Grand Central



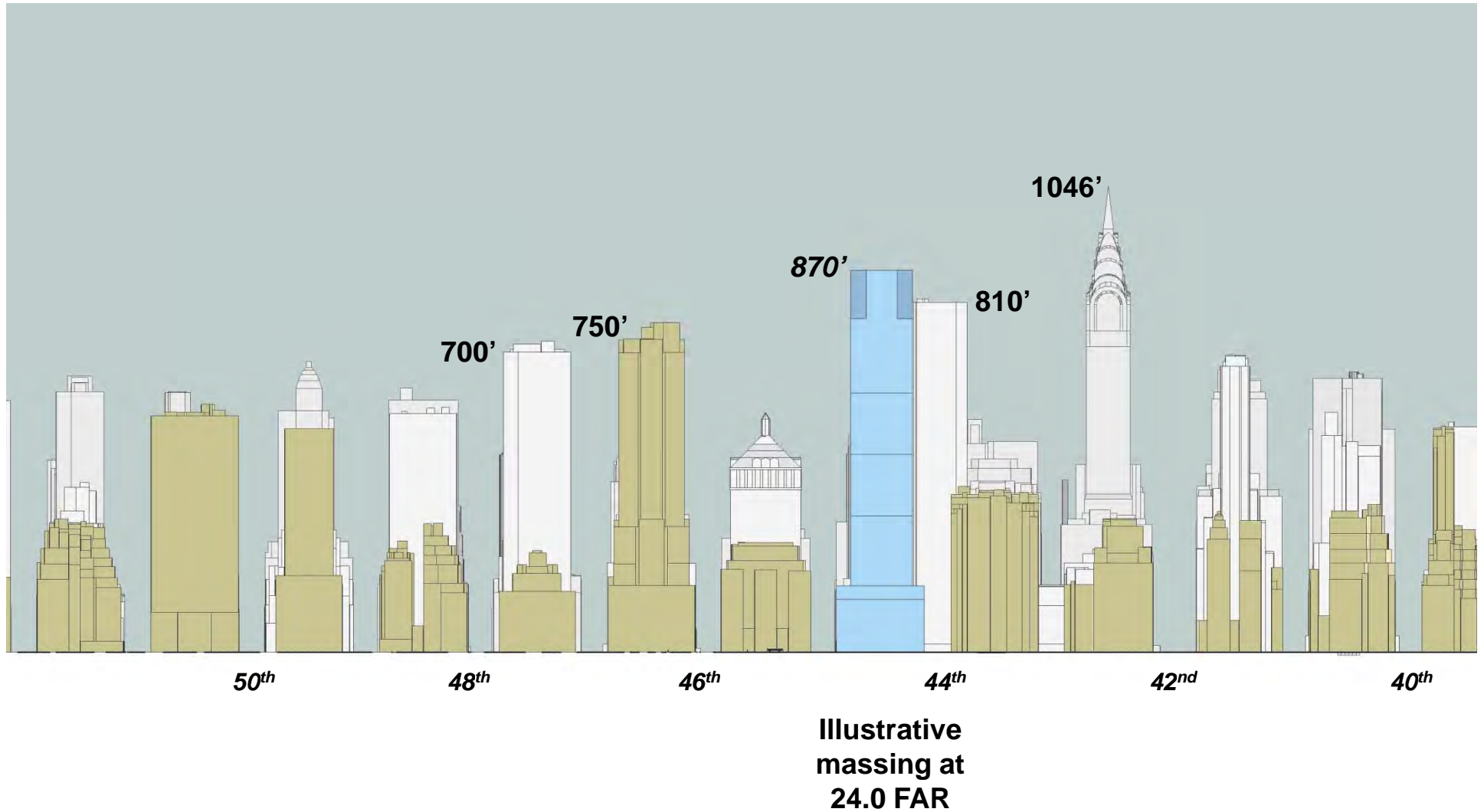
East elevation of Madison Avenue - Existing

Policy Direction
Sub Area Guidelines - Grand Central



East elevation of Madison Avenue

Policy Direction
Sub Area Guidelines - Grand Central

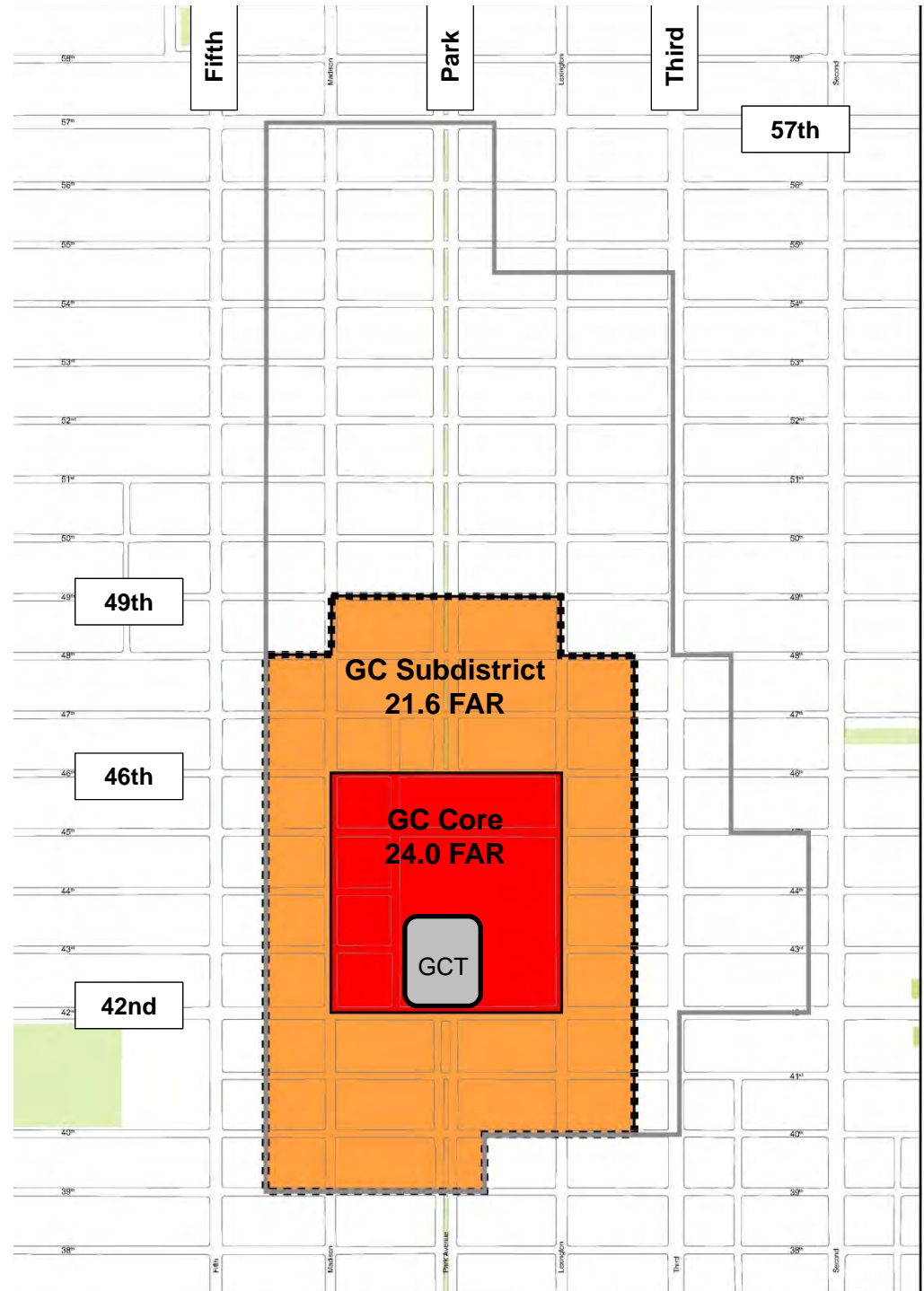
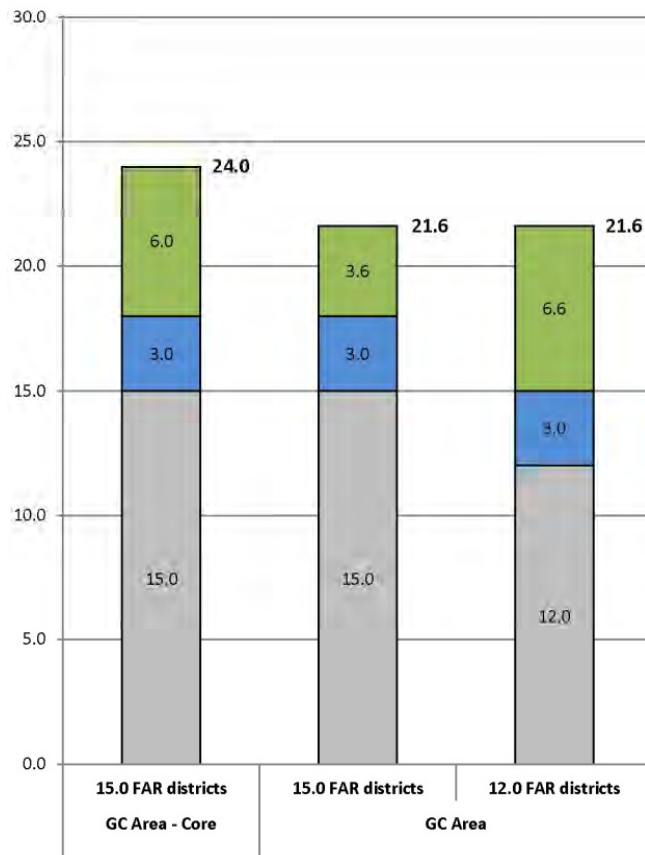


East elevation of Madison Avenue

Policy Direction

Sub Area Guidelines - Grand Central

- Ratio of DIB and landmark floor area guarantees pedestrian network improvements as development occurs

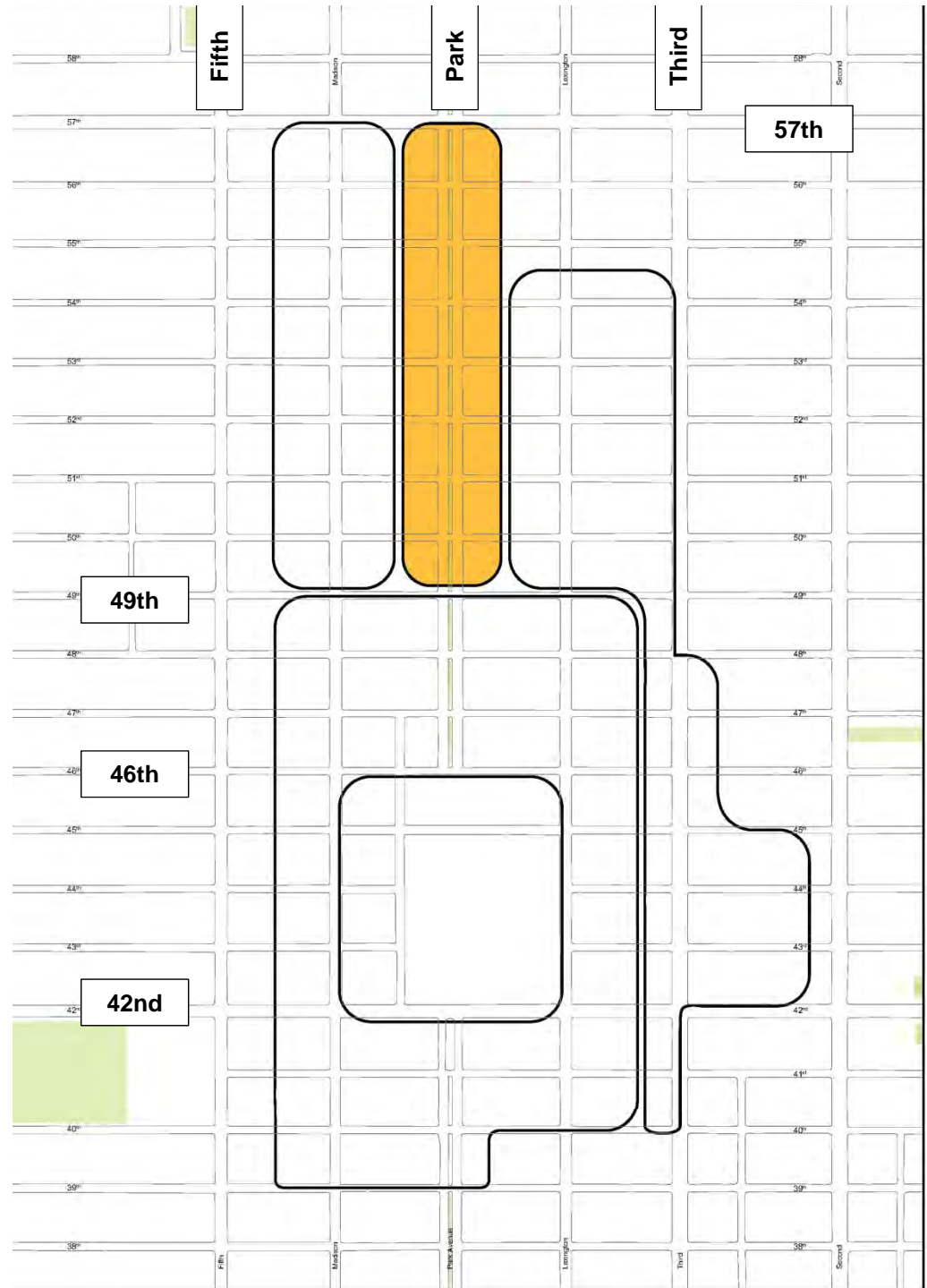


Policy Direction

Sub Area Guidelines – Park Avenue



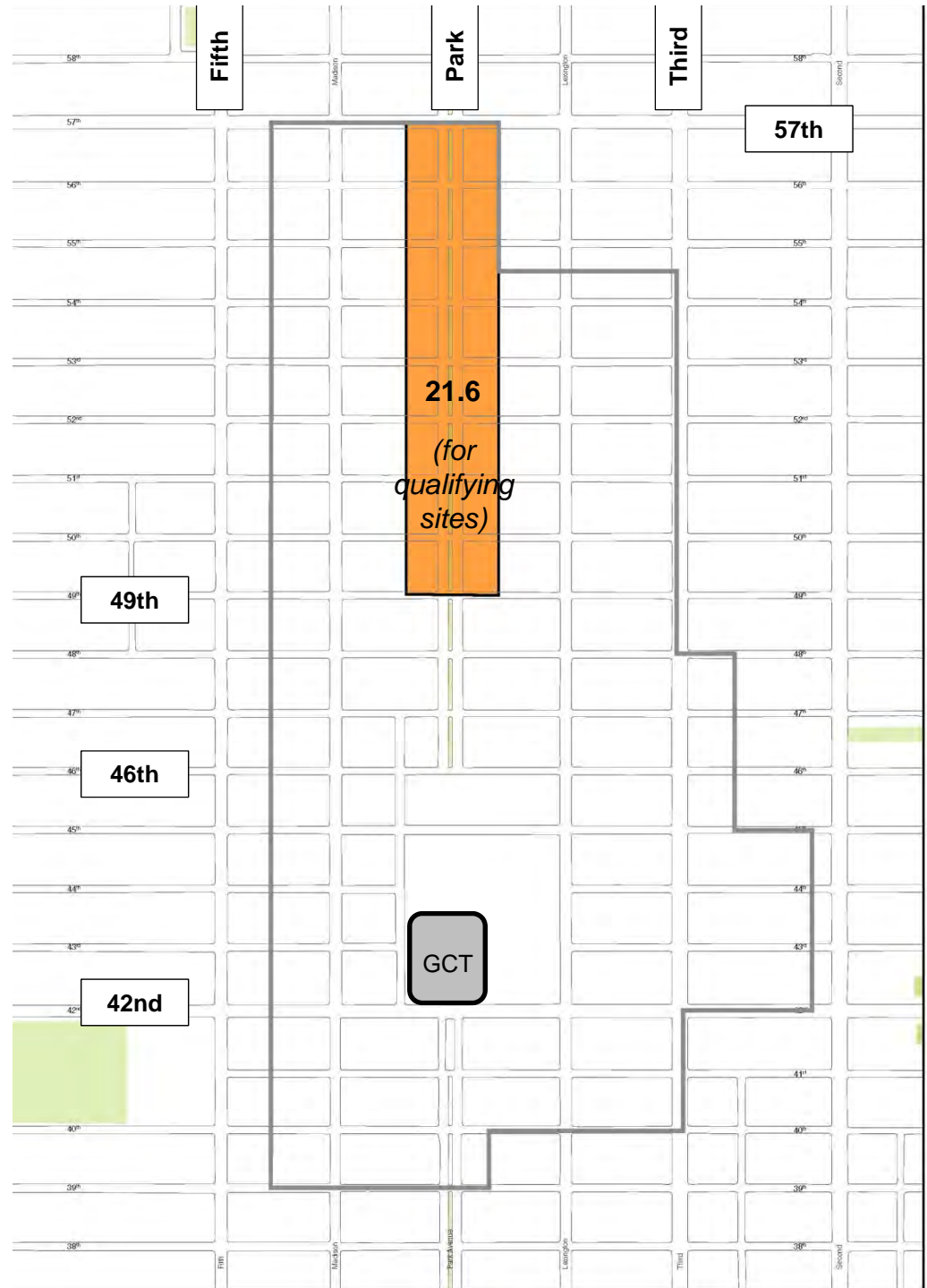
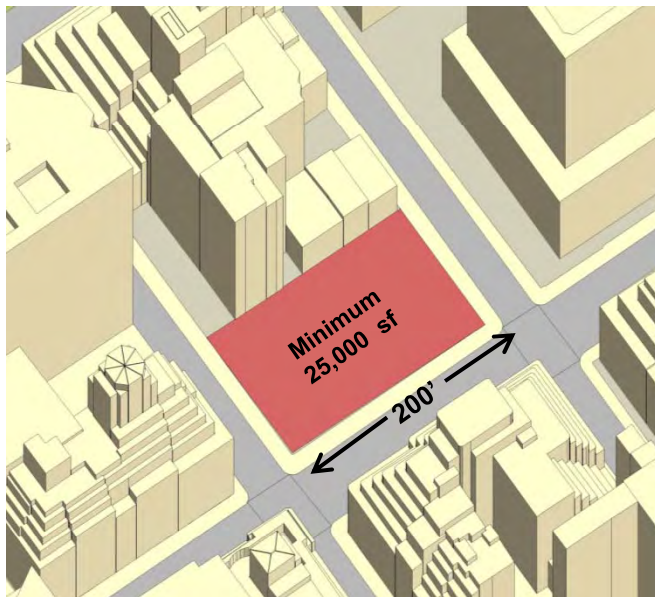
- Over long term, some development should occur along Park Avenue
- Area's iconic address and overall width makes it appropriate location



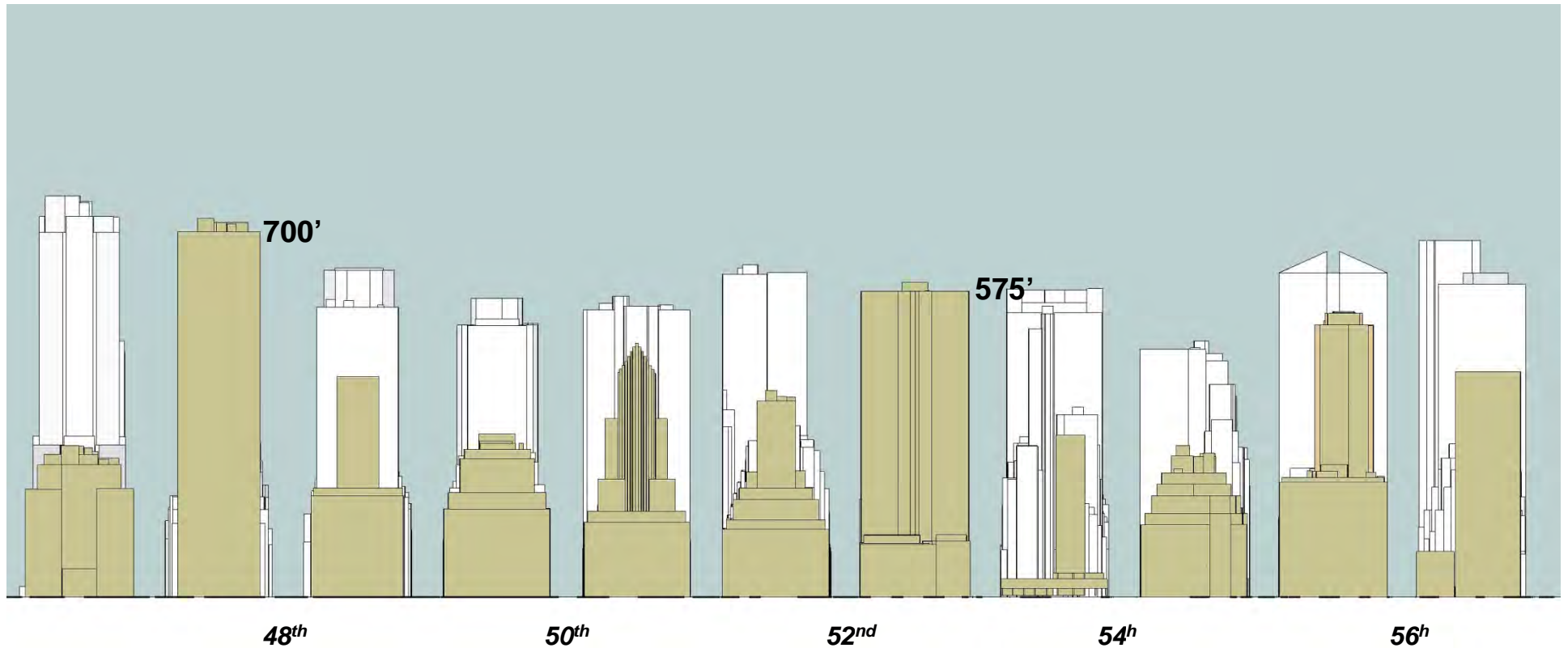
Policy Direction

Sub Area Guidelines – Park Avenue

- Only sites with full avenue frontage and >25k permitted higher as-of-right FARs through District Improvement Bonus

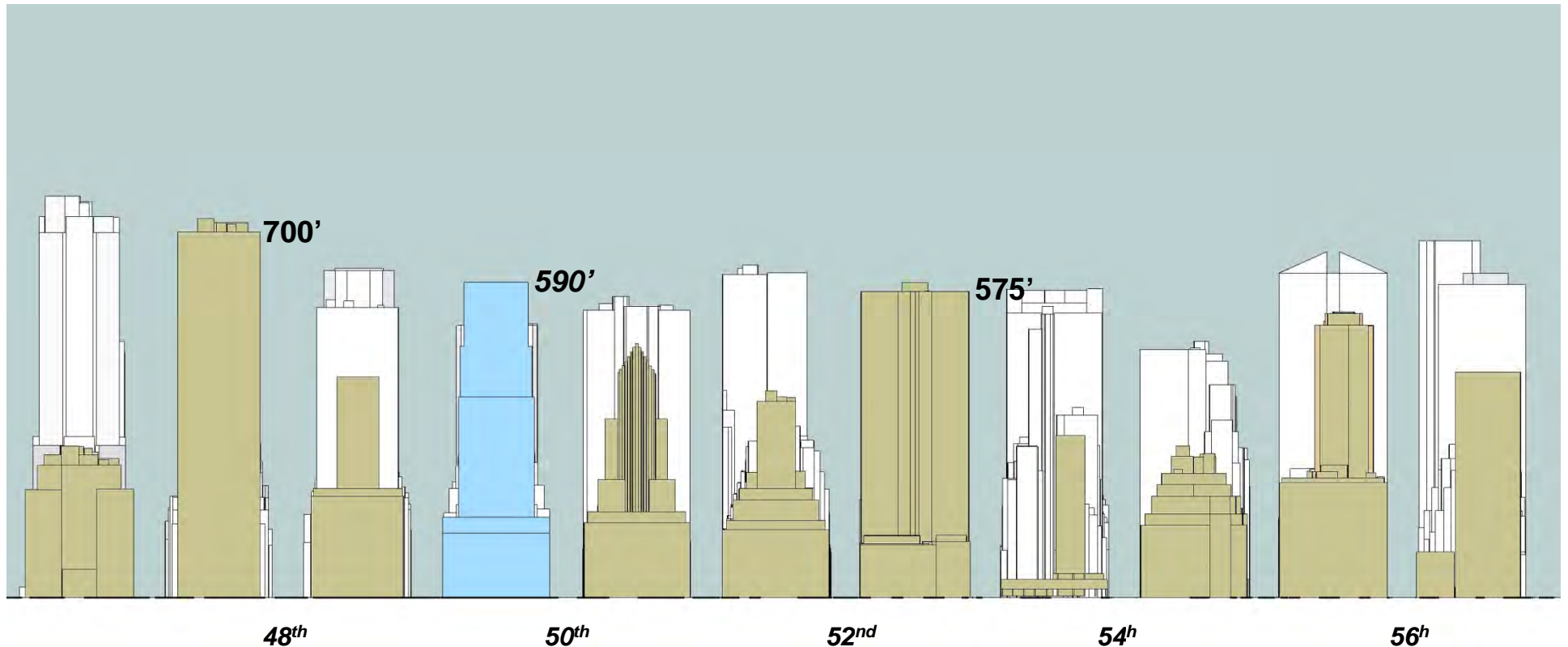


Policy Direction
Sub Area Guidelines – Park Avenue



West elevation of Park Avenue - Existing

Policy Direction
Sub Area Guidelines – Park Avenue



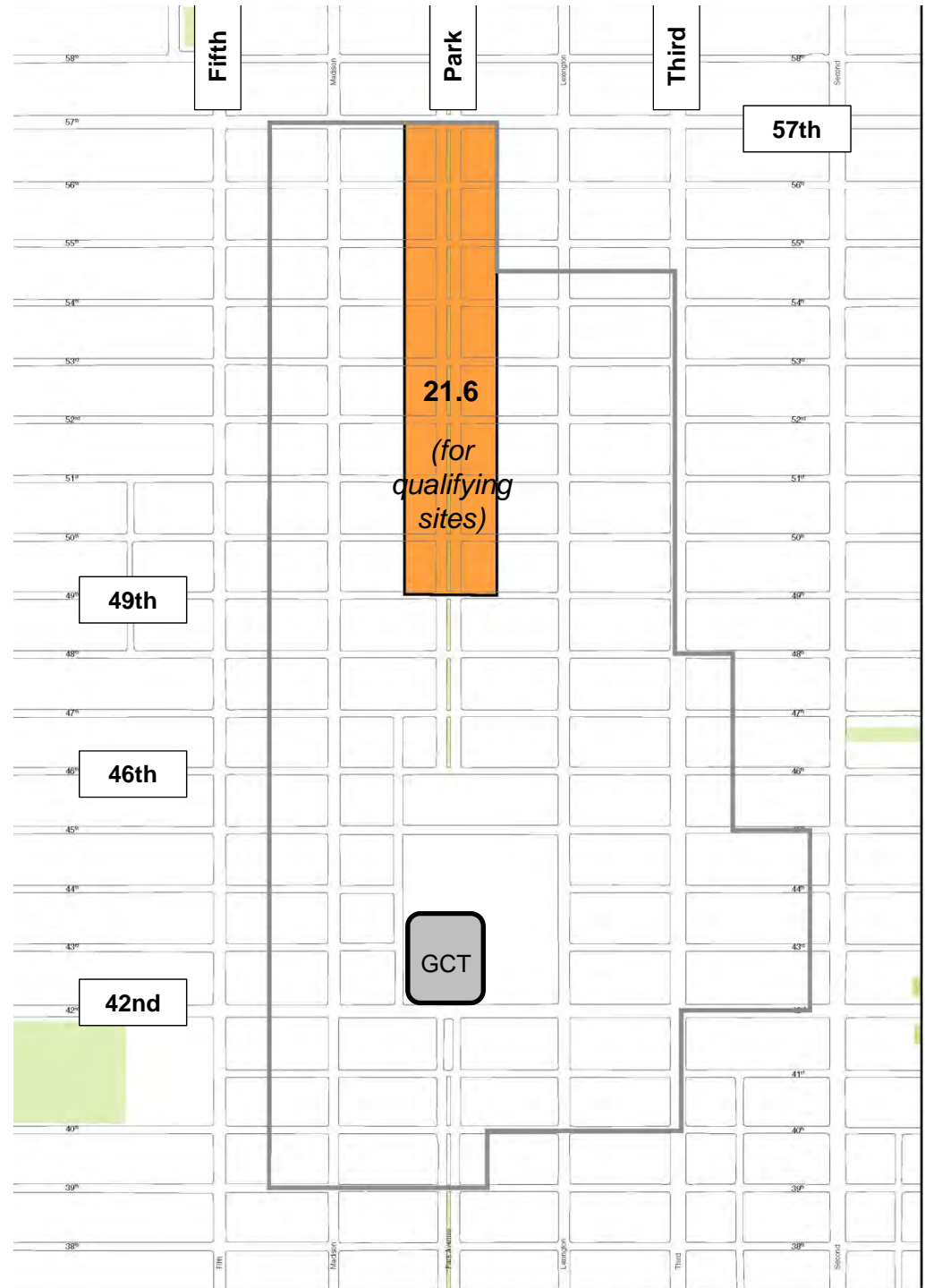
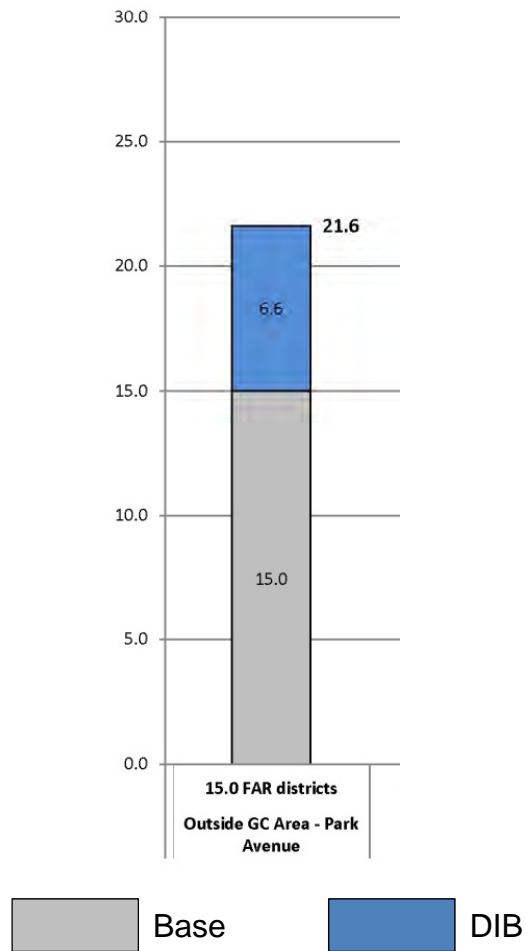
Illustrative
massing at
21.6 FAR

West elevation of Park Avenue

Policy Direction

Sub Area Guidelines – Park Avenue

- Only sites with full avenue frontage and >25k permitted higher as-of-right FARs through District Improvement Bonus

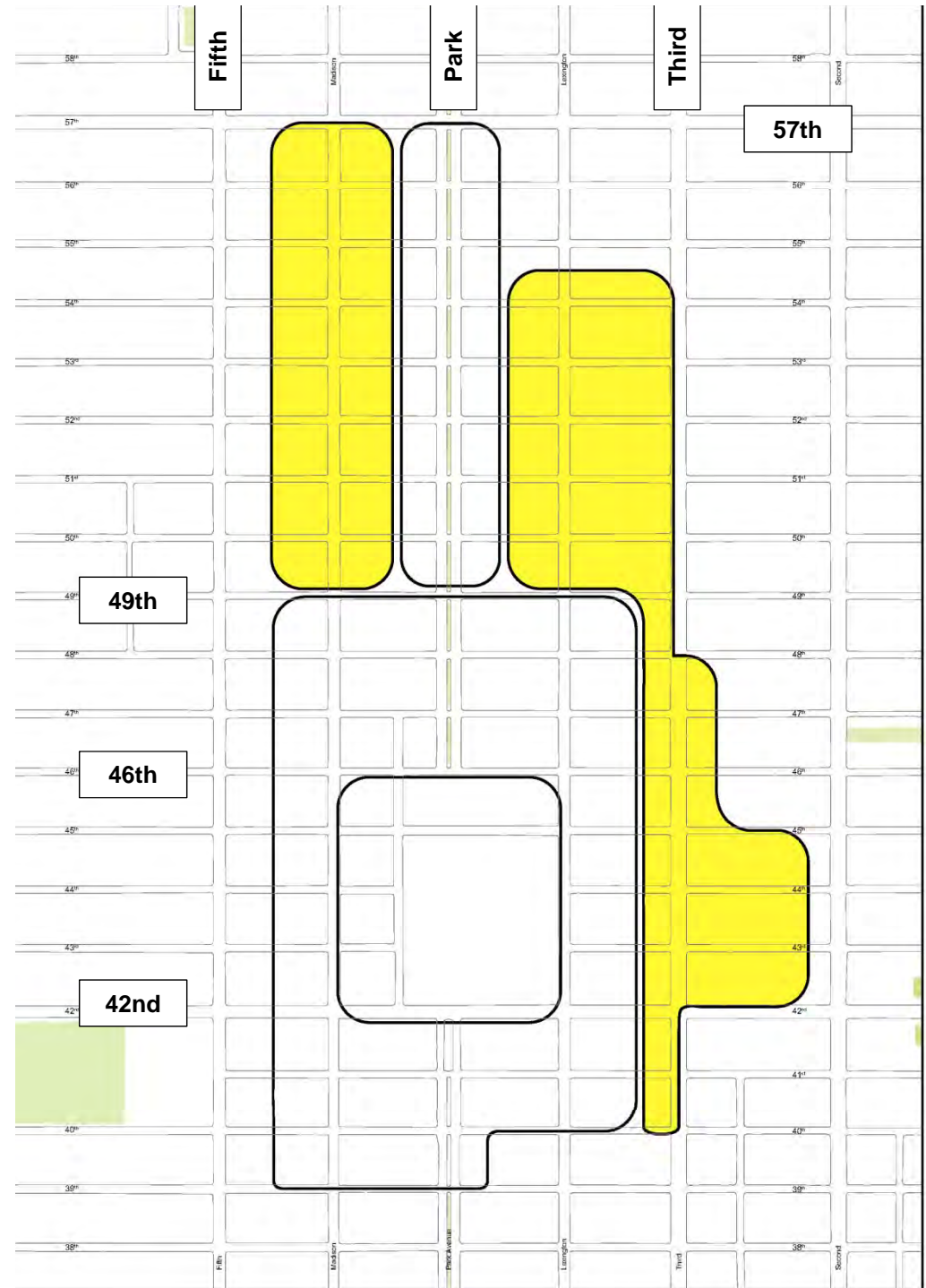


Policy Direction

Sub Area Guidelines – Other Areas



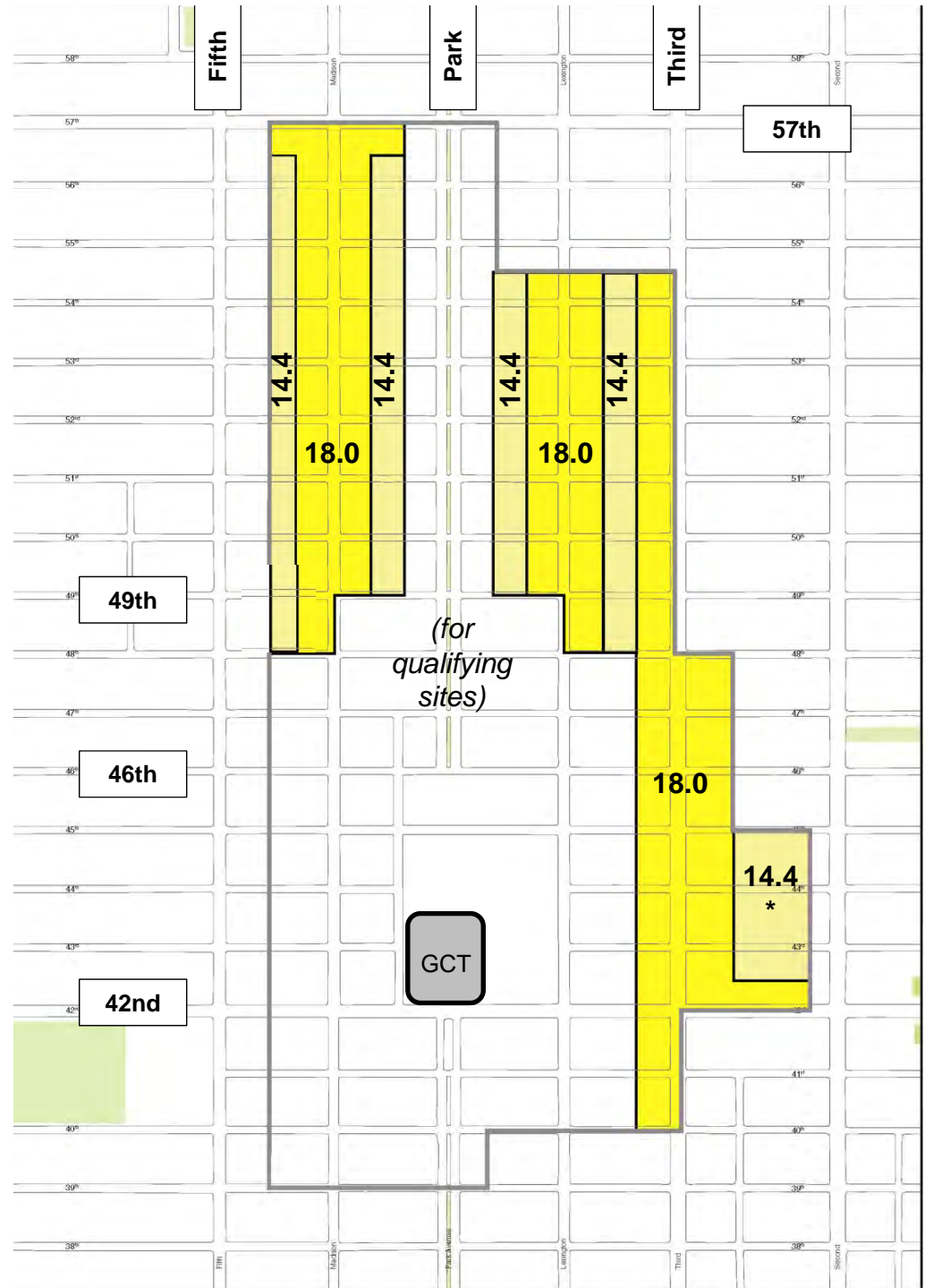
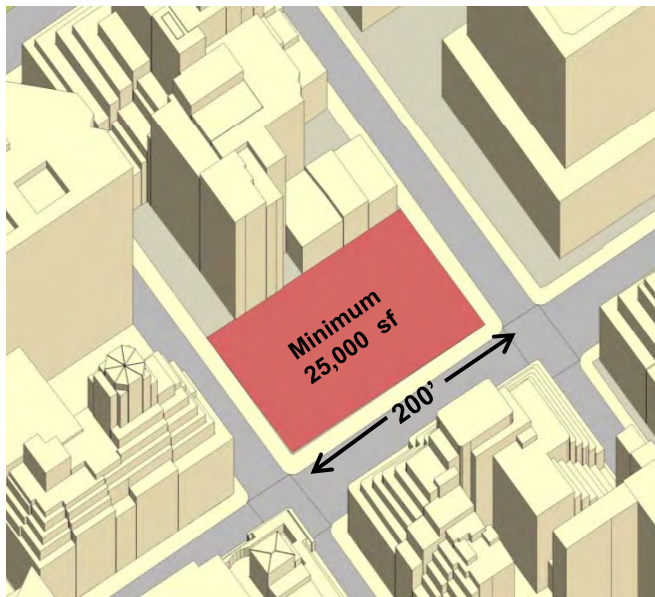
- Over long term, more limited development should occur along northern Madison, Lexington avenues, and Third Avenue
- Areas contain most of East Midtown's more-recent office construction



Policy Direction

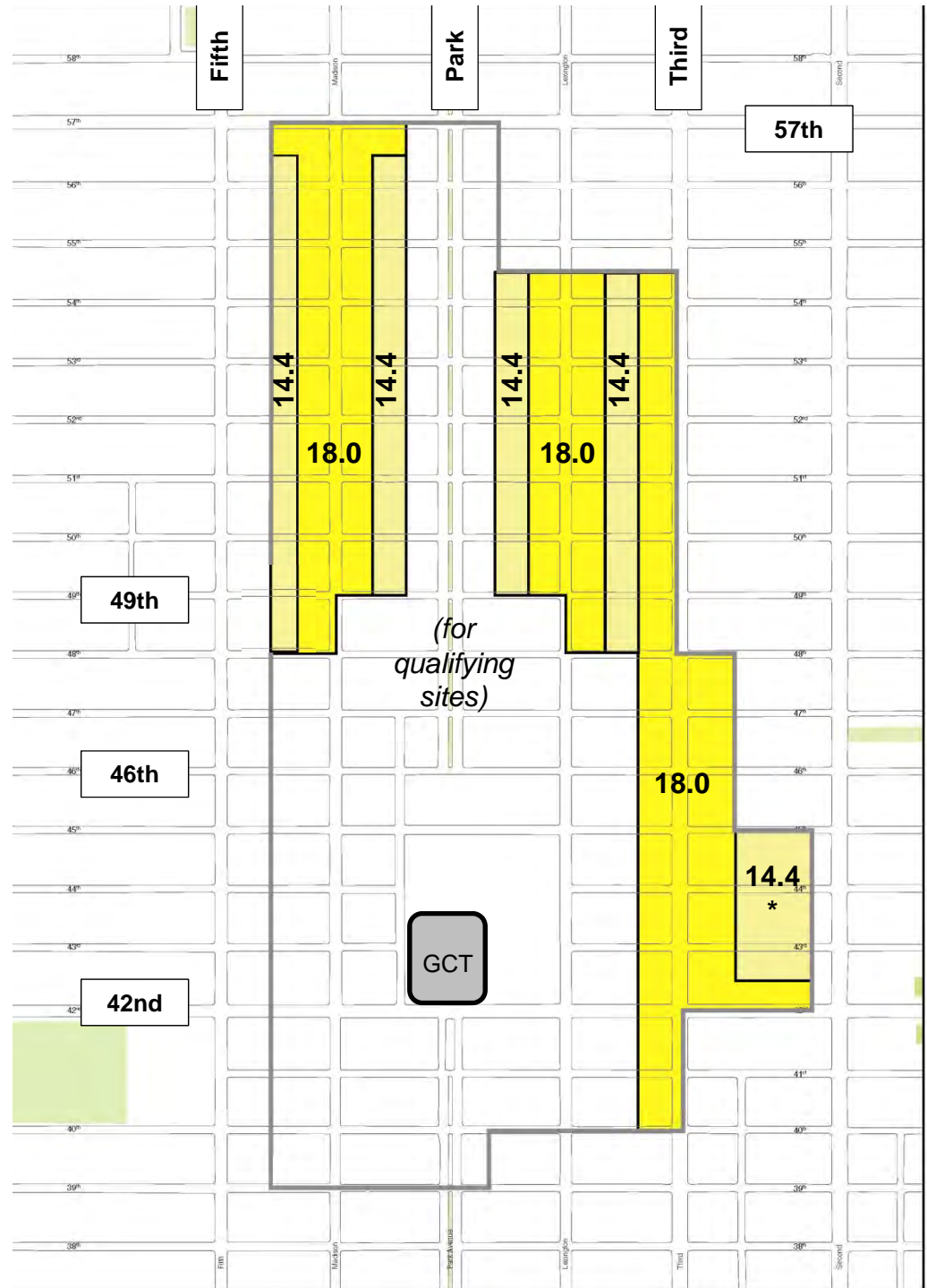
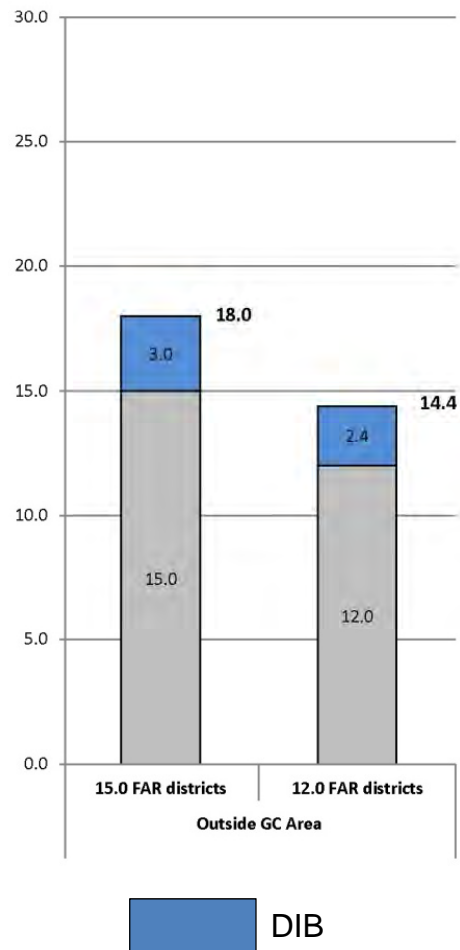
Sub Area Guidelines – Other Areas

- Only sites with full avenue frontage and >25k permitted higher as-of-right FARs through District Improvement Bonus (20%)



Policy Direction Other Areas

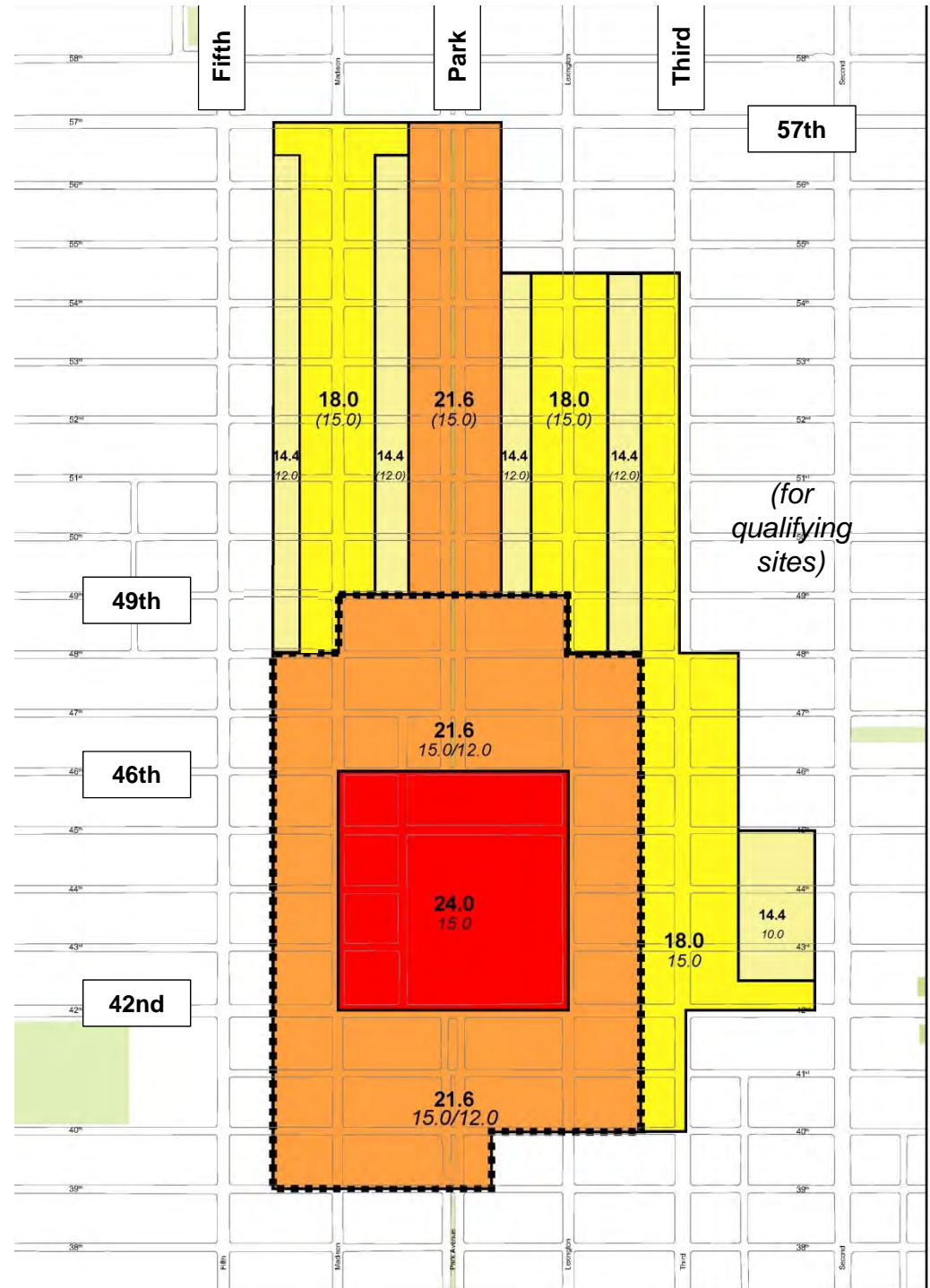
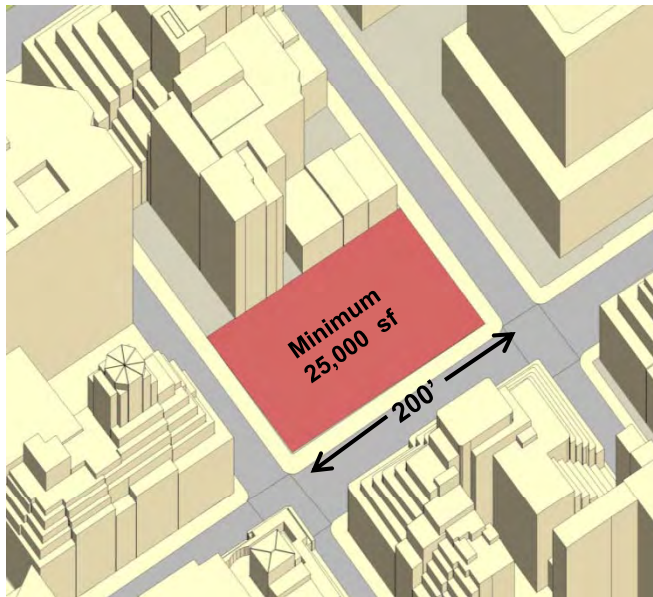
- Only sites with full avenue frontage and >25k permitted higher as-of-right FARs through District Improvement Bonus (20%)



Policy Direction

As-of-right Development Framework

- Intended to encourage limited and targeted as-of-right commercial development
- Calibrated to encourage development in appropriate locations
- Improve landmark transfers within Grand Central and generate funding for area-wide pedestrian network improvements



Global Distinction



Policy Direction Special Permit



Image from flickr user Dave Catchpole

London Shard



Image from flickr user budapest1956

Torre Agbar
Barcelona

Policy Direction Special Permit



Chrysler Building



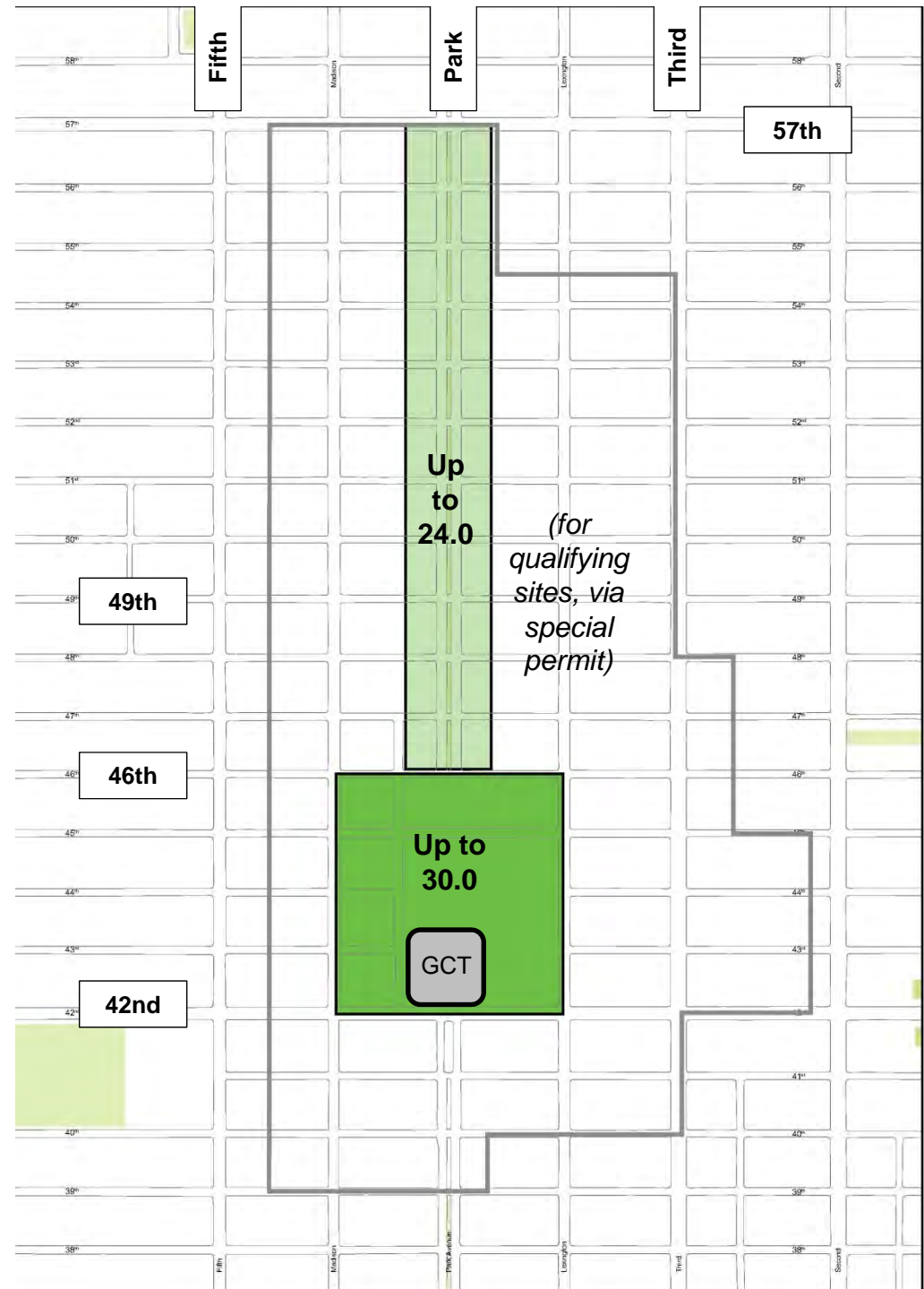
Lever House



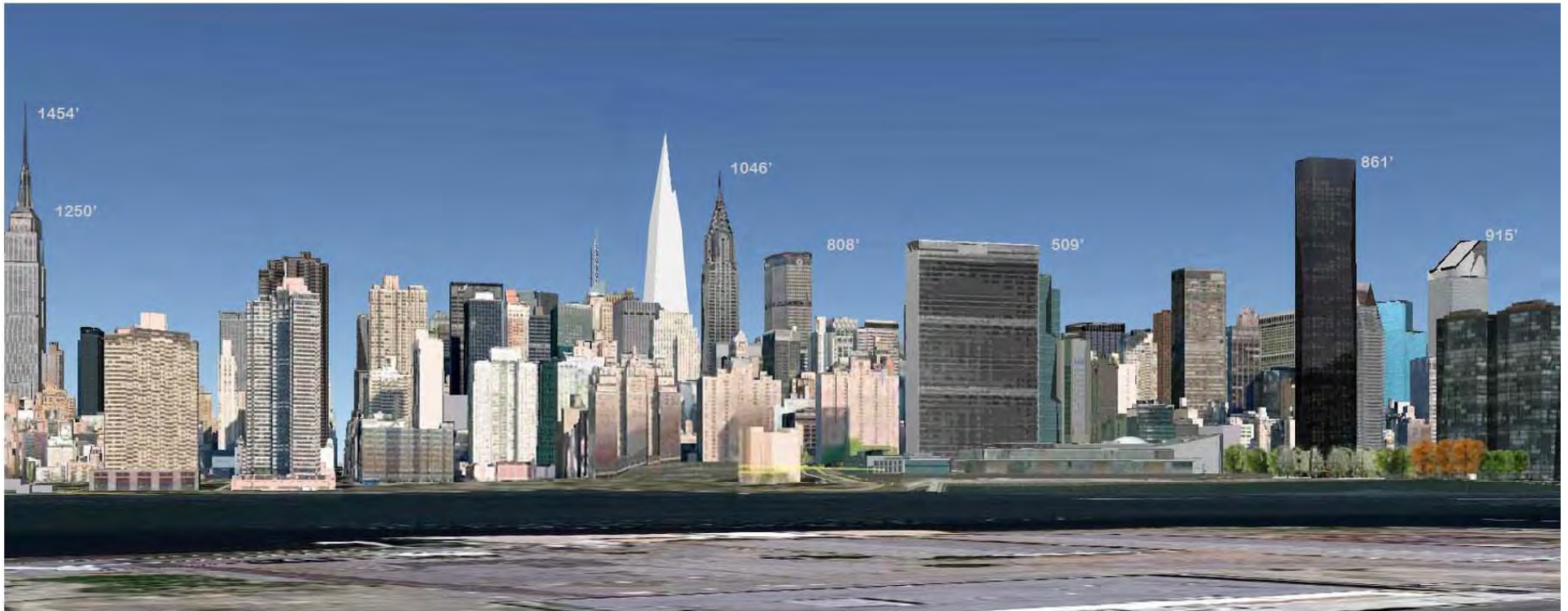
Seagram Building

Policy Direction Special Permit

- To allow extraordinary buildings at key sites, new special permit (full ULURP) to permit greater FAR
- Proposals must exhibit significant contribution to the skyline, result in superior relationship to other buildings in the skyline, result in a superior site plan and massing, and make a significant contribution to the pedestrian network
- Minimum site size – 40k around Grand Central, 25k along Park Avenue
- Required District Improvement Bonus contribution or Landmark transfer (around Grand Central)

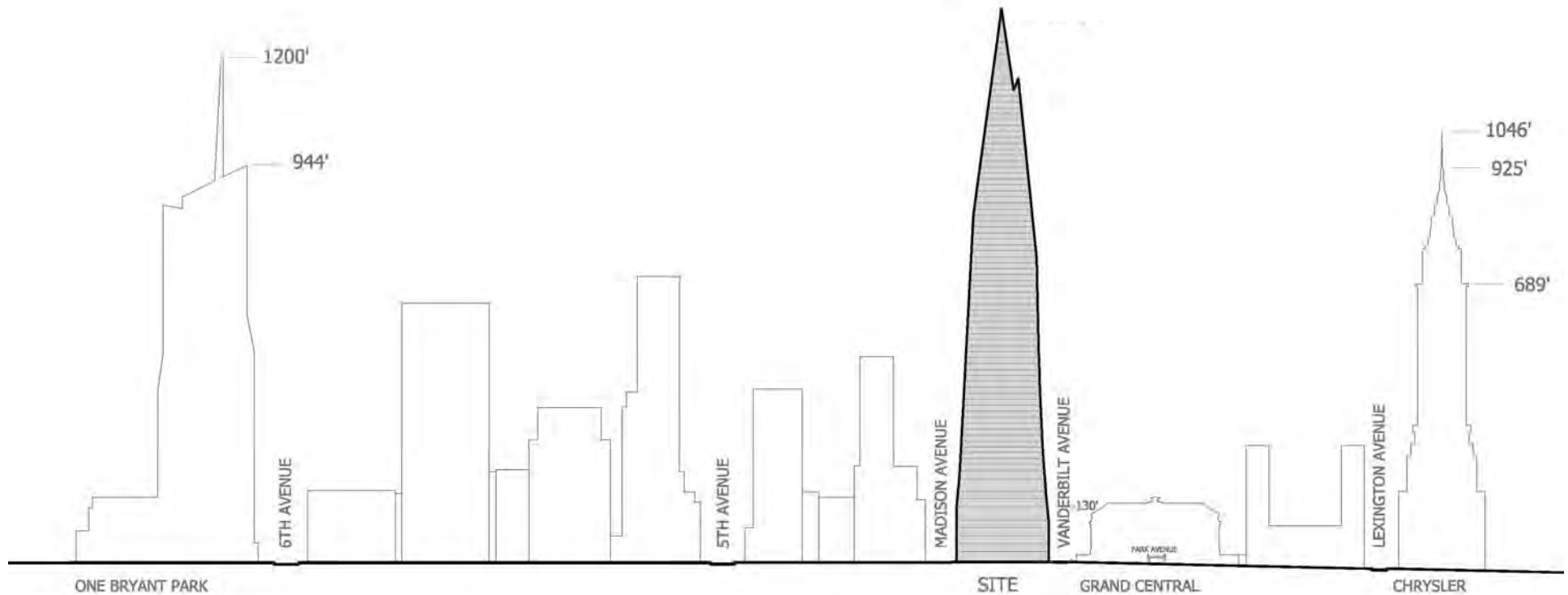


**Policy Direction
Special Permit**



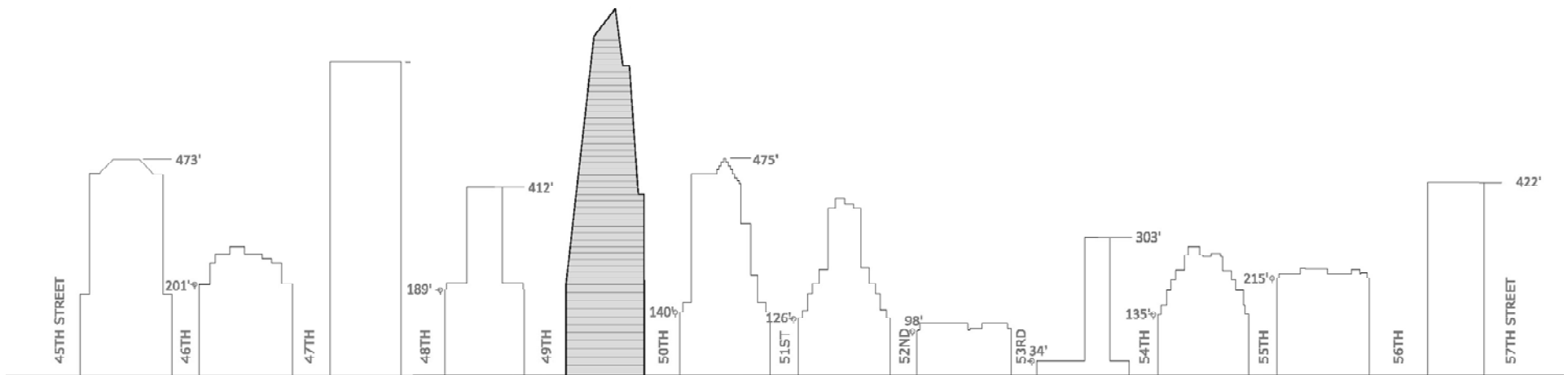
Illustrative massing from East River – 30 FAR

Policy Direction Special Permit



Illustrative massing along 42nd Street – 30 FAR

Policy Direction Special Permit



Illustrative massing along Park Avenue – 24 FAR

District-wide Elements



Policy Direction

DIB/Public Improvements

- Allows for City-priority improvements as new development occurs
- Focused on improvements to pedestrian network, both above- and below-grade
- Funding generated would be used for specific improvements
- Working with stakeholders to develop draft priority improvements



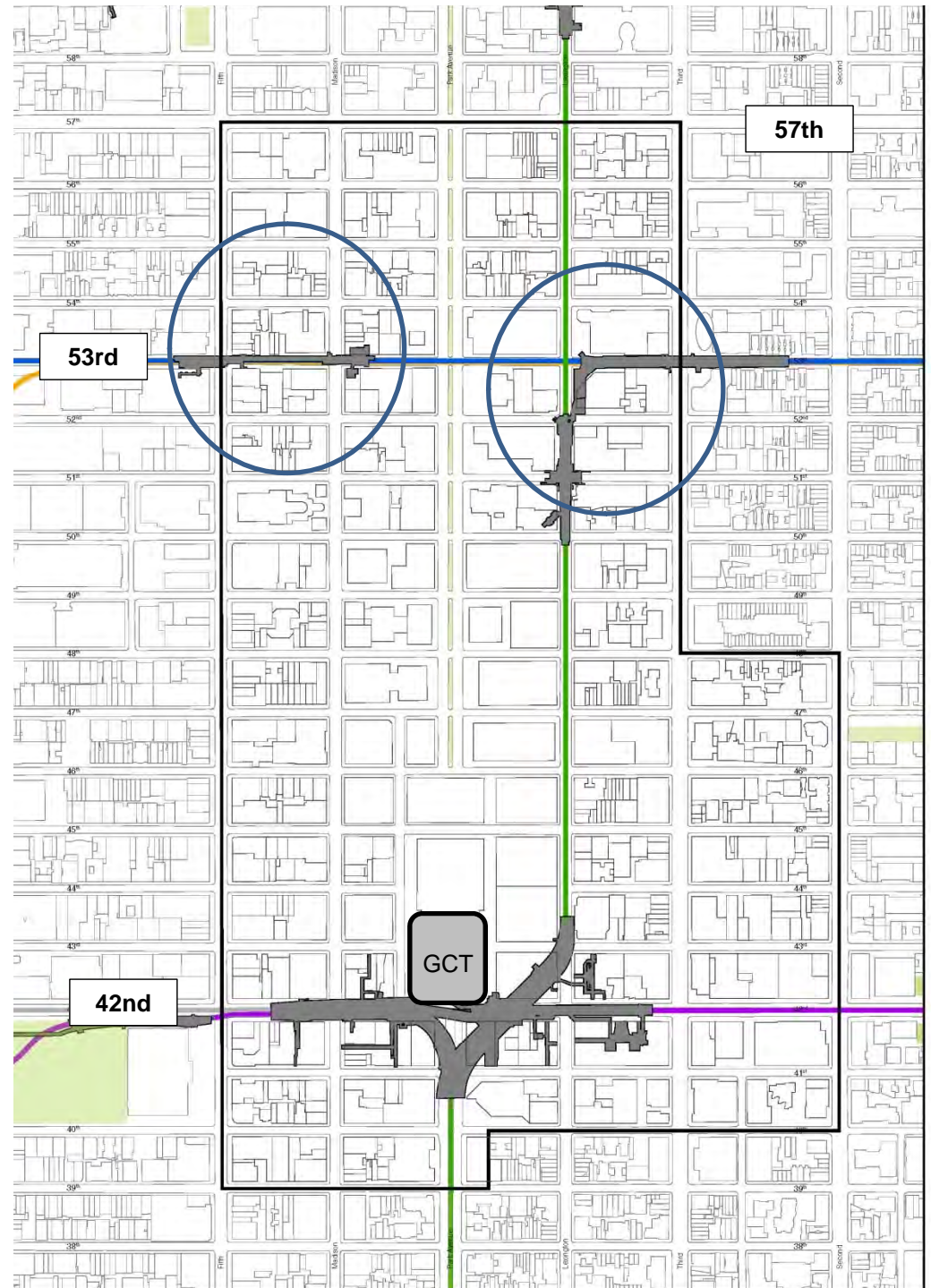
Policy Direction DIB/Public Improvements



Possible Improvements

- New connections between Grand Central Terminal and subway station
- Reconfigured Mezzanine level
- Additional connections to Lexington (4,5,6) and Flushing (7) line platforms from Mezzanine level

Policy Direction DIB/Public Improvements



Policy Direction DIB/Public Improvements



Policy Direction DIB/Public Improvements



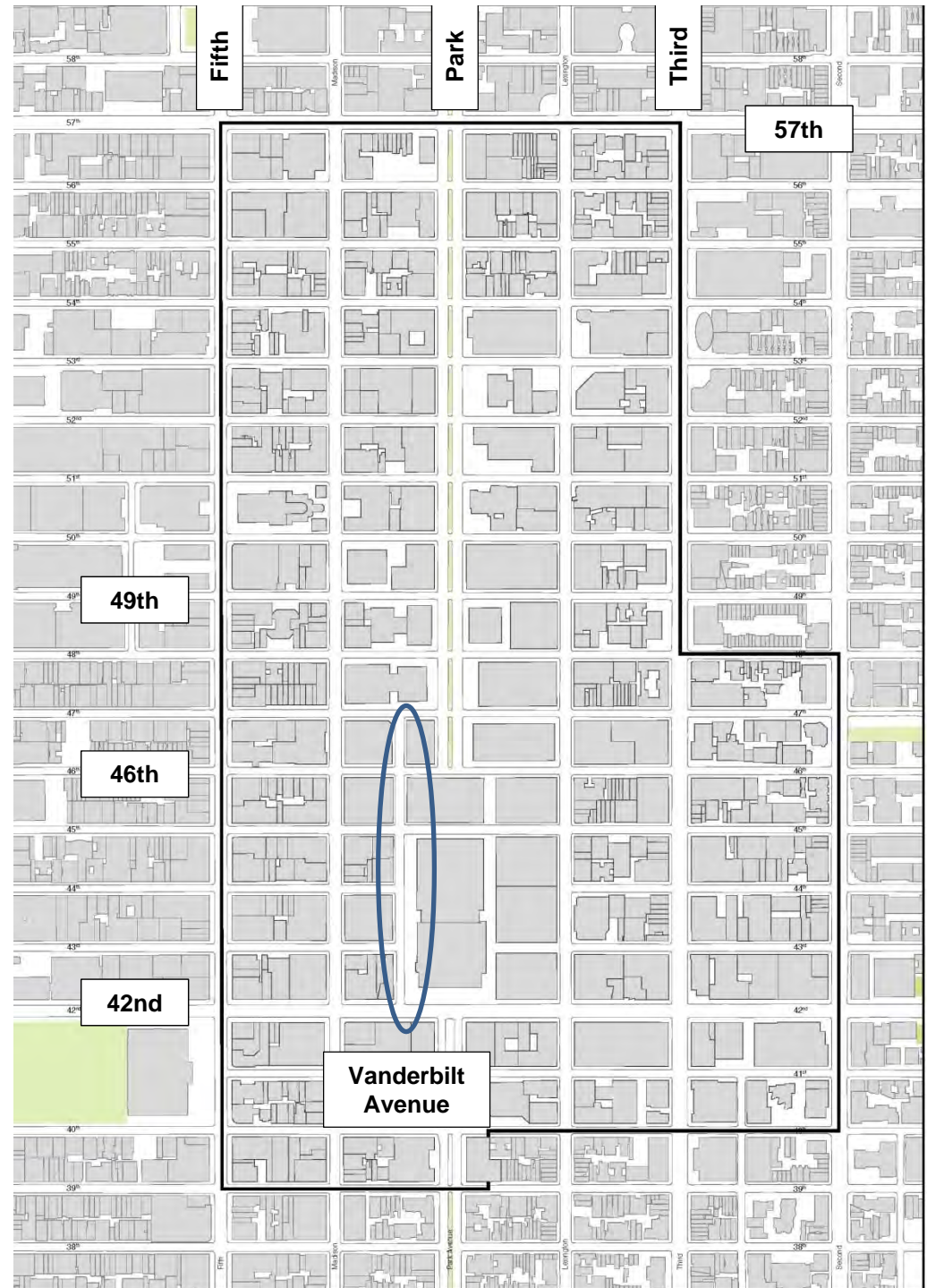
**West Chelsea
High Line**



Images from HYDC and MVVA

Hudson Yards
Hudson Park and Boulevard - 2014

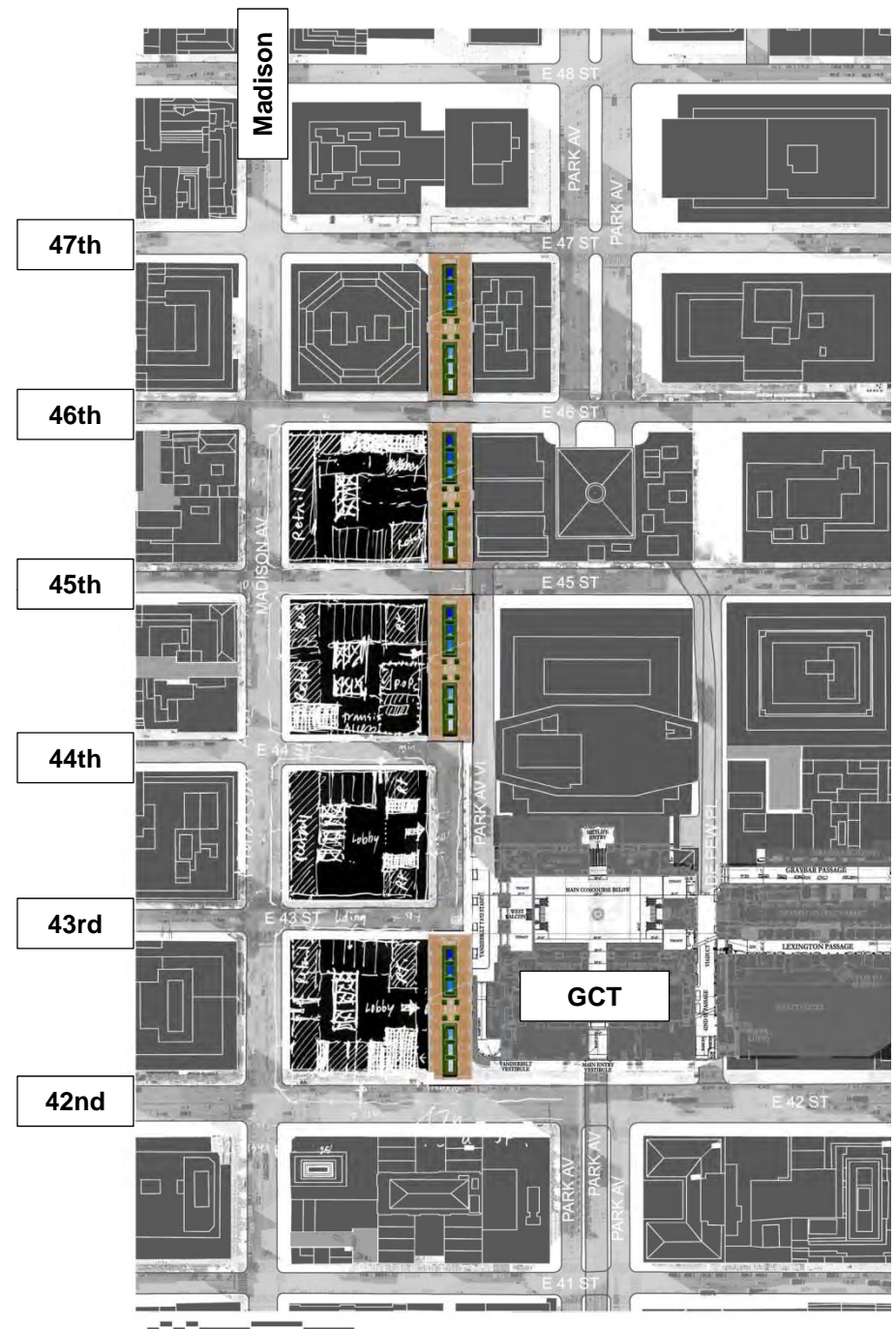
Policy Direction DIB/Public Improvements



Policy Direction

DIB/Public Improvements

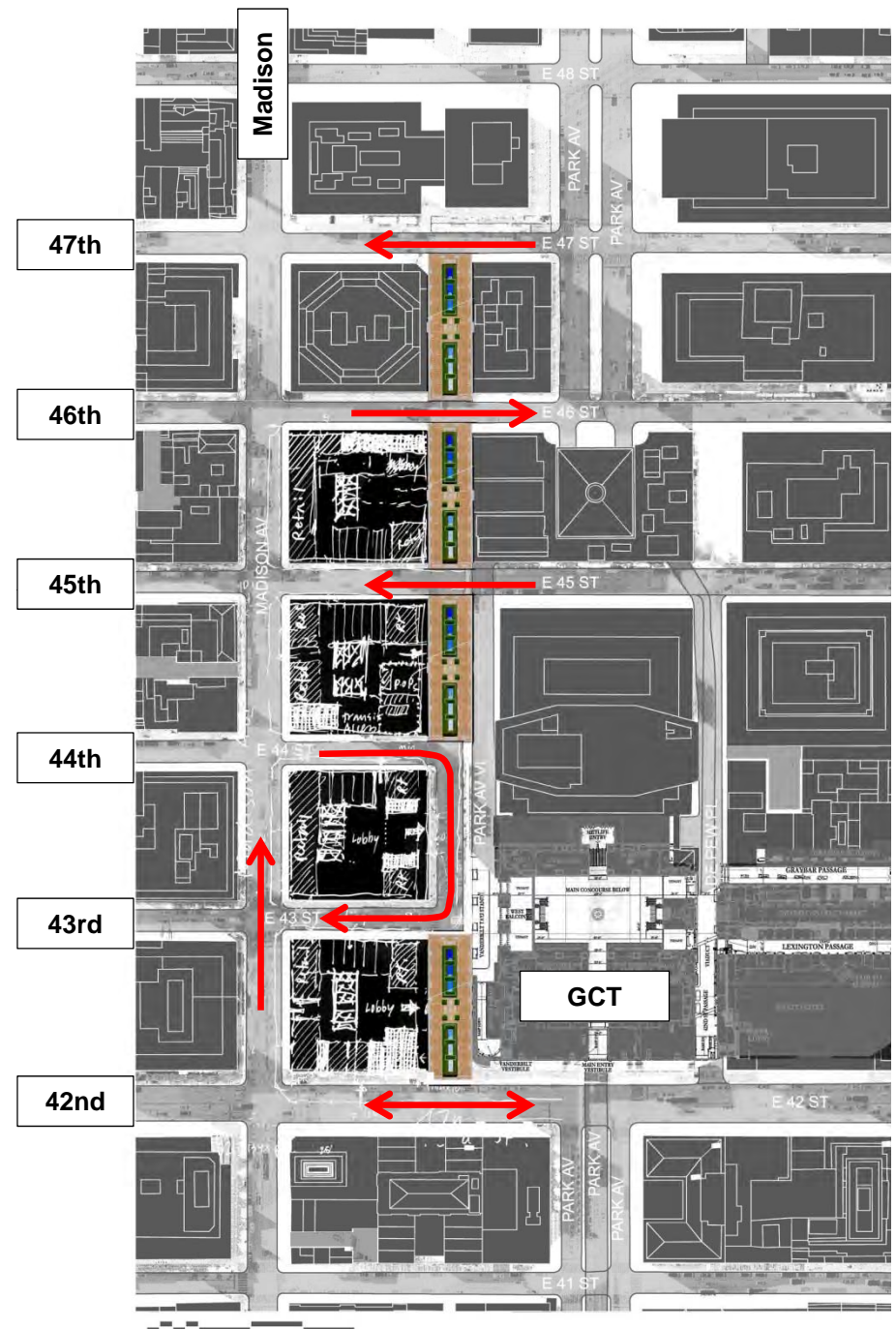
- Vanderbilt offers opportunity to create a significant gateway in East Midtown, adjacent to Grand Central Terminal
- Given iconic location, should be an elegant and distinguished space
- Intent would be to create a partially-pedestrianized public space while still allowing crosstown access and access to surrounding buildings and Grand Central Terminal



Policy Direction

DIB/Public Improvements

- Vanderbilt offers opportunity to create a significant gateway in East Midtown, adjacent to Grand Central Terminal
- Given iconic location, should be an elegant and distinguished space
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Policy Direction

Non-complying Buildings

- Outdated buildings with non-complying floor area present challenge as existing zoning offers disincentive to replacement
- Buildings that are part of sites with full avenue frontage and >25k size could maintain existing floor area through discounted DIB price
- Other buildings would be able to maintain floor area through discounted DIB, as long as site has avenue frontage and 20k site

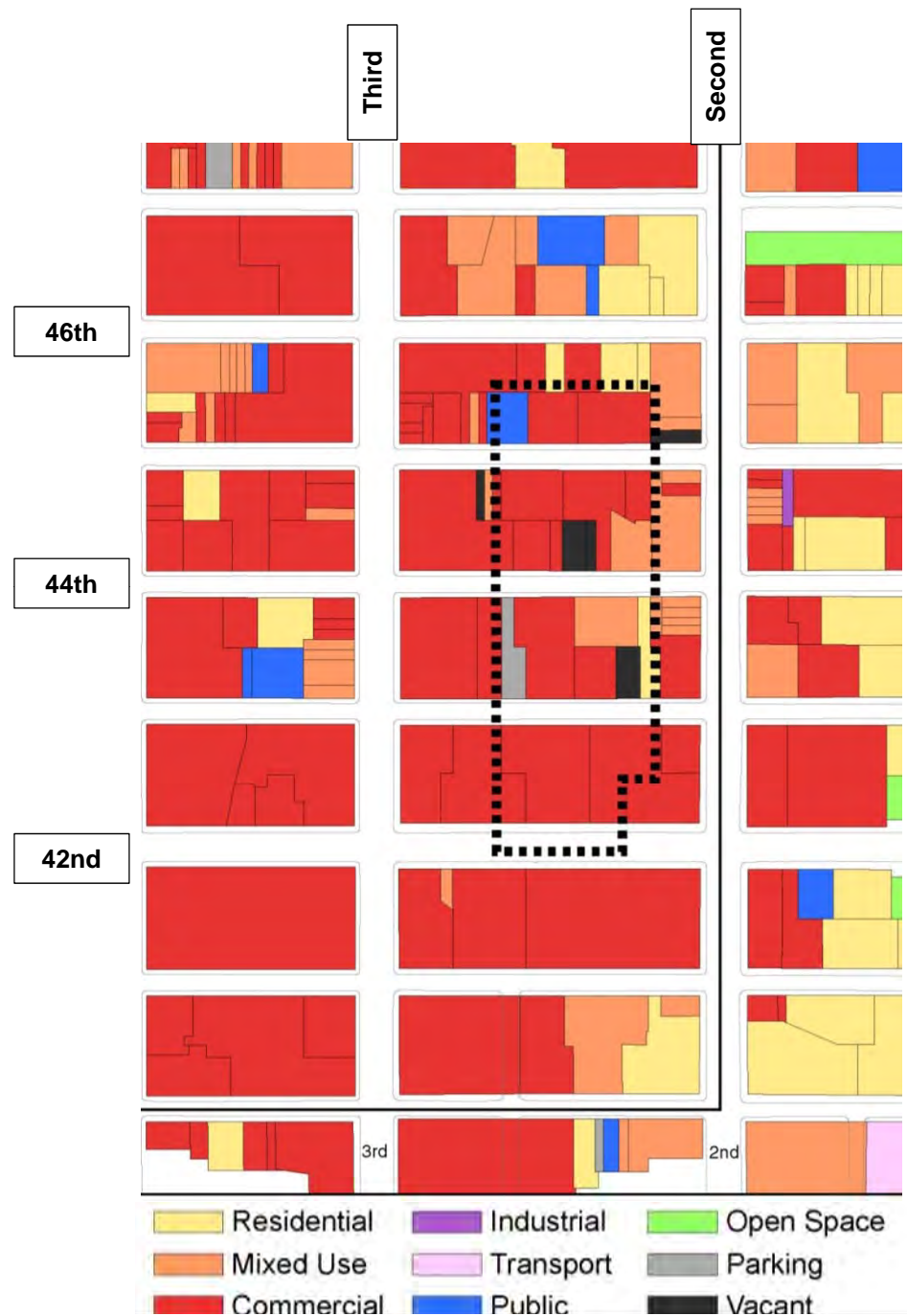


575 Madison Avenue
17.0+ FAR

Policy Direction

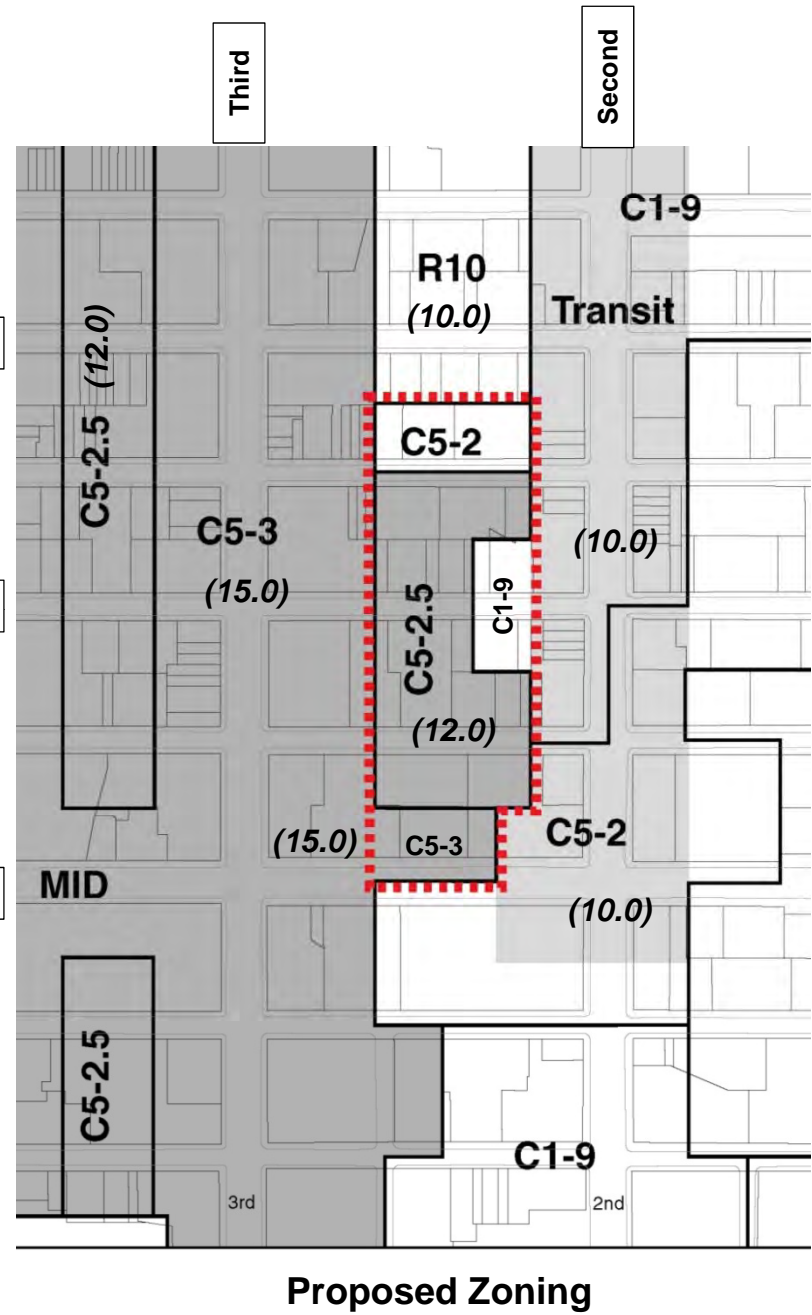
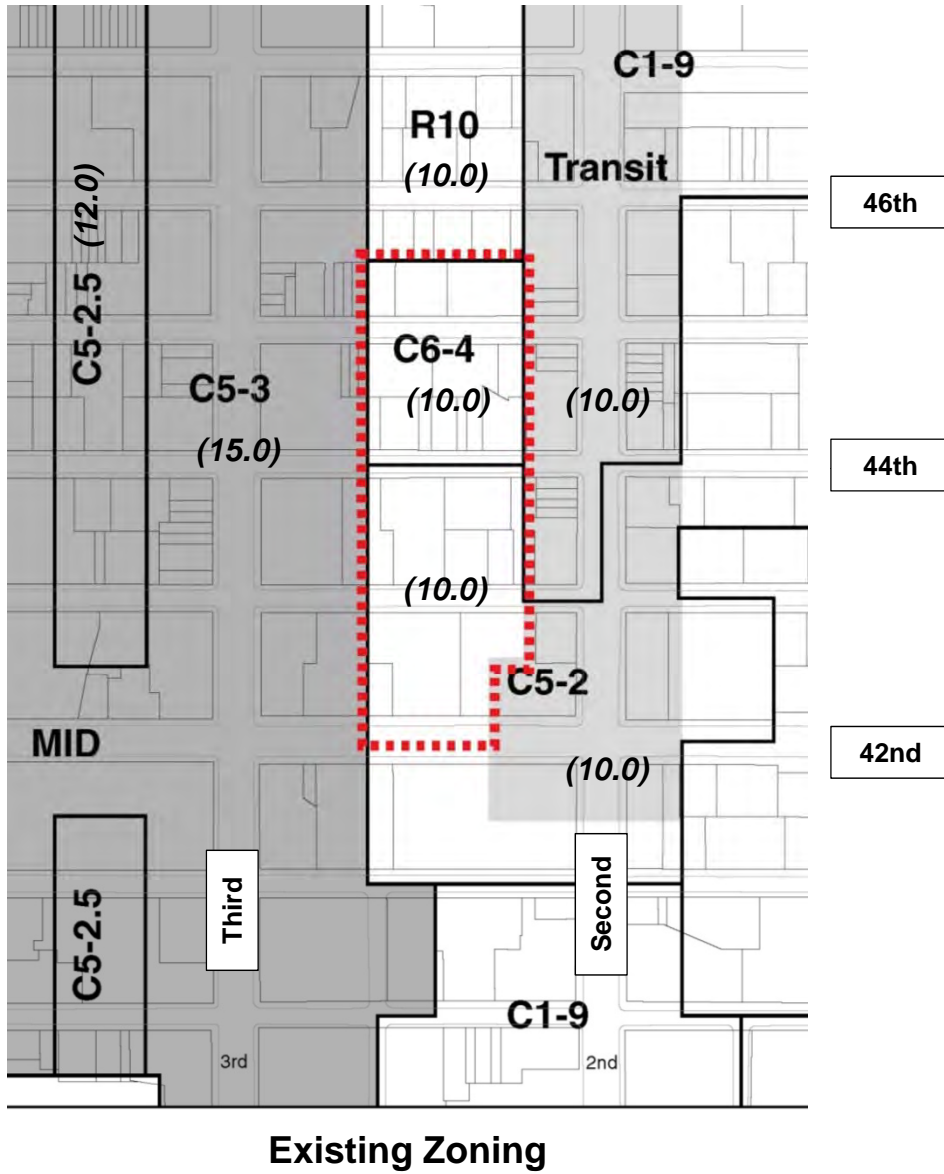
Third Avenue area

- Predominantly commercial character of midblocks along 42nd and 45th streets between Second and Third avenues
- Special Midtown District generally follows the boundary of Midtown's commercial areas
- Proposal would incorporate portions of these midblocks into Midtown district



Policy Direction

Third Avenue area



Policy Direction

Midtown

- Hudson Yards is the City's commercial development priority in Midtown
- Subway extension completed in 2014 and first office buildings are planned to start construction soon



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Policy Direction

'Sunrise' Provision

- “Sunrise” provision in East Midtown
- Current thinking is that building permits pursuant to new zoning can be issued five years from today
- Allows sequencing of development consistent with planning objectives in Midtown
- Creates certainty for developers in East Midtown



Policy Direction Summary

- Goals
- Long-term Development Framework
- Site Requirements and Mechanisms
- Area-specific Guidelines
 - Grand Central area
 - Park Avenue
 - Other areas
 - Special Permit
- District-wide Elements
 - DIB/Public improvements
 - Non-complying buildings
 - Third Avenue area
 - “Sunrise” provision



Policy Direction Schedule

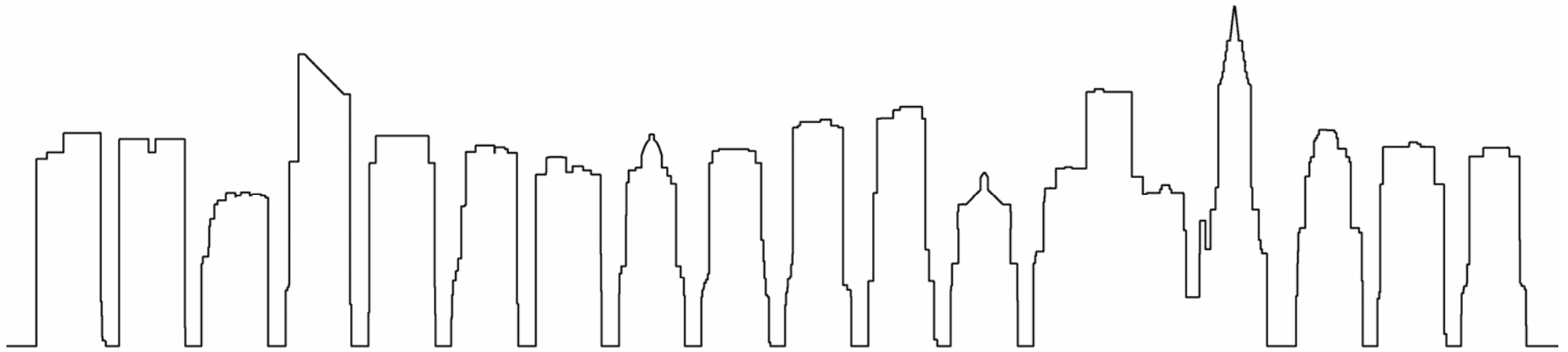
Initial Findings/Policy Direction presentation – June 2012

Preliminary Proposal presentation – Today

EIS scoping - Early Fall

ULURP Certification – 1st quarter 2013





East Midtown Study