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Hope Knight
President and Chief Executive Officer
Empire State Development
625 Broadway
Albany, NY 12207

Holly Leicht
Executive Vice President, Real Estate Development and Planning
Empire State Development
633 Third Avenue
New York, NY 10017

RE: Draft General Project Plan of Penn Station Area Redevelopment Project

Dear Ms. Knight and Ms. Leicht:

Manhattan Community Board 4 (MCB4), after a duly noticed public hearing held on December 1, 2021 regarding the Proposed Revisions to the February 2021 Draft General Project Plan (GPP) of the Penn Station Area Redevelopment Project, voted, by a vote of 36 in favor, 1 opposed, 6 abstaining, and 0 present but not eligible to vote, to oppose the Project GPP unless Empire State Development (ESD) addresses concerns that continue to impact the community. Most notably ESD needs to address:

- the concentration of the proposed revisions to improve community benefits are dependent primarily on a yet to be determined southern expansion of Penn Station on Sites 1 through 3;
- the timing, location, and amount of required affordable housing production;
- the building controls related to the public realm; and,
- the lack of financial guarantees related to the overall development plan and the funding of pedestrian mitigations and the public realm.

Background

In February 2021, ESD presented a GPP proposal for the redevelopment of the area surrounding Penn Station to fund improvements to the antiquated train station. After being universally

recognized as woefully inadequate in integrating a new world class transportation hub into the neighborhoods of Midtown Manhattan, an expanded community working group was created to bring forth community concerns and to discuss possible solutions. After dozens of meetings with the working group and community public hearings, MCB4 submitted a letter (July 8, 2021; attached) addressing specific concerns. That letter was in coordination with local elected officials, and Manhattan Community Board 5 (MCB5) -- for which the majority of the redevelopment has the greatest impact.

Subsequently, ESD staff incorporated changes to the original draft GPP from many perspectives of the working group and presented a revised proposal in early November 2021. These proposed revisions will be brought forth as an Alternative to the Draft Environmental Impact Statement in a public hearing on December 8, 2021, followed by a public comment period. The Draft GPP may be further revised based on the hearing and public comments, before being brought to the ESD Board of Directors for consideration in Spring 2022.

There are technically four projects being discussed in relation to Penn Station:

- the Gateway project which will double the number of rail tunnels under the Hudson River;
- the Penn Station expansion to increase capacity for New Jersey Transit commuter trains;
- the upgrades to passenger circulation in the current Penn Station; and,
- the development project surrounding Penn Station which will allow for 10 towers to be built or rebuilt around the station.

This letter relates only to the last point: the development project surrounding Penn Station. The other projects will follow their own Federal EIS process.

The proposed expansion of Penn Station to the south onto sites 1 – 3 and the construction of the Gateway Tunnel have direct impact into MCD4, while the overall area redevelopment proposals have more direct impacts in MCD5. We share the concerns raised by MCB5 throughout this process. Community members have raised issues that as a neighborhood we have suffered through the complete razing of blocks for large scale developments in the past, including the destruction of historic sites that contribute to the loss of the unique fabric of our neighborhoods, and the neglect of minority owned businesses. The redevelopment of Penn Station Area should not follow this pattern.

The impetus for shared community outcry about the original GPP was that the development plans were precursors to addressing the transportation needs of the transit sectors. A financial mechanism was proposed to capture the value of up-zoning eight blocks and use those funds to pay for elements of the station reconstruction, the above ground public realm improvements, and ongoing mitigation of pedestrian movement. Yet, there was not first a consideration of public realm components addressing the movement of hundreds of thousands of people through the community and the impacted neighborhoods. And there seemed to be a lack of coordination between the various transit agencies to put forth a plan that would serve the transportation needs well beyond the completion of this current proposal. A plan to capture value created in an up-zoning before addressing community issues and transit issues was perceived as the wrong ordering of the project process.

Summary of Revisions

Based on input from the working group, ESD is presenting revisions to the draft GPP. Some of the highlights of those revisions include:

- A reduction in density with a decrease in the maximum allowable Floor Area Ratio (FAR) from 33 to 30
 - This remains well above the 19.5 FAR allowed in Hudson Yards -- which includes a Community Facility benefit of 2 FAR
- An inclusion of housing units, including 30% permanently affordable
 - The only site required to include housing is Site 1; Sites 4 and 8 will have an option of providing housing
- The creation of a Public Realm Task Force
 - The Public Realm Task Force Fund would be initially funded through development funds from the GPP sites
- An increase in public space
 - Most sites would see an increase in the public space requirement from an average of about 12% to about 17% (which includes existing sidewalks)
 - Site 2 would have the largest amount of public space at 44%
 - An additional “Shared Street” is being proposed for West 31st Street between Seventh and Eighth Avenues
- Increased community services
 - In Requests For Proposals for Sites 1-3, ESD would set aside space and work with the community to shape a request for innovative ideas for providing services for homeless people and other social services within the Project Area
- An increase in active, more diverse street frontages
 - The increased diversity comes from a reduction in lobby frontage from 100 feet to between 40 feet to 90 feet
- A protection of the view along West 33rd Street to the Empire State Building
- A continued community participation through the Advisory committee and input on each building RFP’s.
- A Transportation Monitoring Plan (TMP) to be developed with NYC DOT, requiring re-analysis of traffic and pedestrian flows at key milestones during build-out, and adjustments to mitigation requirements as appropriate.

COMMUNITY CONCERNS

Concentration of Community Benefits on Sites 1 through 3

The proposed changes to the Draft GPP are certainly steps in the right direction. However, it is notable that a great proportion of the improvements to the original GPP are dependent on the approval of a southern expansion of Penn Station onto Sites 1 to 3. The approval of this southern expansion is yet to be determined and will follow a separate review process than the GPP. There is a possibility that a southern expansion of Penn Station would not happen, and thus the proposed benefits on Sites 1 to 3 would not materialize. If the southern expansion did not occur, then:

- There would be no requirement for housing units in the development area (only optional units on Sites 4 and 8);

- There would be no requirement for Community Facility components on any site within the development area;
- The additional “Shared Street” at W 31st Street would not likely occur; and,
- The largest amount of public space on any one block (Site 2 with 44%) would not occur limiting the maximum amount of public space to 17% on any block.

Affordable Housing Production and Timing

The amount of affordable housing required on West 31st Street between Eighth and Ninth Avenue is insufficient. It will take at least 10 years to start building and may never materialize, leaving displaced residents in a state of uncertainty for too long. We request in consultation with MCB5 that at least two other buildings on Sites 4 to 8 be required to offer affordable housing, that such buildings be required to be built in the first phase of any development of the area, and that all affordable housing is permanent following the guidelines of community housing policies that offer a range in income levels. The GPP must provide permanent relocation of residential tenants, within MCD4 or MCD5, at tenant’s existing affordability levels.

Funding for Transportation Mitigation Plan and Public Realm Task Force

We are pleased that ESD is setting up mechanisms to continue monitoring the impact on pedestrian flows during the multiple phases of the project -especially on the West side- and fund mitigation as needed. The Public Realm Task Force will identify changes required at the ground level throughout the station area. A portion of the Payment In Lieu Of Taxes (PILOT’s) payment in lieu of taxes will be reserved for these tasks.

We request that the funding mechanism guarantees that a fixed proportion of the PILOT’s are dedicated and disbursed with the same parity as any funding for MTA improvements. In Hudson Yards, where such a mechanism was not in place, MTA delays and cost overruns left the park and other amenities unfunded, and the City had to supplement funding to finish the project.

Undefined new development from an up-zoning should not be the only source of funding for public realm issues. If Madison Square Garden remains in its current location, it needs to contribute to the proposed solutions since it plays a crucial role in impacting the public realm.

Building Controls for Public Realm

The proposed building controls remain focused on overly grandiose entrances for buildings which create a dead environment for pedestrian and commuters. At the same time, the planned station entrances are much smaller and secondary to the building entrances. We request that all station entrances be consistent, the largest and most visible, while office building entrances should be secondary to the station’s. The rest of the facades along Streets should be activated in human scale proportions with corresponding storefronts (11 ft high).

It is also critical that garbage, Con Edison grids and other utilities be handled inside the buildings, leaving the sidewalks entirely free for the thousands of pedestrians that will need to navigate them.

Coordination with MTA Track Revisions

There is a disconnect between the process for the GPP and the process for the expansion of the rail lines for which MTA will be the lead agency. The possibility for a southern expansion of tracks has a direct impact on MCD4.

There needs to be a coordinated timeline between the track work to improve the efficiency of trains from all three transit agencies (Amtrak, NJ Transit, LIRR/MTA), any platform revisions, and the station improvements above ground. It would then follow that the improvements to the public realm and any new buildings would coincide with the below ground transformations.

The MTA must publish, and solicit public comments and feedback, on the list of improvements that will be required in any buildings, and which components would be funded by the PILOT's.

CONCLUSION

The project overall has seen many improvements: lower density; Empire State building view corridors; more affordable housing with a commitment to relocate displaced residents; PILOT's at market price; better controls on buildings; much more open space and shared streets; funding to monitor and mitigate pedestrian crowding with a public realm task force; and a Station Advisory Group to review and comment on all improvements proposed in the station.

However, we are concerned that community benefits are overly dependent on an expansion that may not be supported by the community, and therefore may not be approved. We still deplore the dependency on the development of large office towers which could fall short of the financing needed for the Penn Station Area Redevelopment. It would behoove ESD to develop an alternative plan for the funding of the reconstruction of the area in order to better ensure the project addresses the needs of the community as well as future transit needs to create a world class transportation hub.

Sincerely,



Lowell D. Kern
Chair
Manhattan Community Board 4



Jeffrey LeFrancois
First Vice Chair
Manhattan Community Board 4



Christine Berthet
Co-Chair, Transportation
Planning Committee



Paul Devlin
Co-Chair, Chelsea Land Use Committee

CC: Hon. Jerry Nadler, U.S. Representative
Hon. Brad Hoylman, NYS Senate
Hon. Richard Gottfried, NYS Assembly
Hon. Robert Jackson, NYS Senate
Hon. Linda B. Rosnethal, NYS Assembly
Hon. Bill de Blasio, Mayor
Hon. Corey Johnson, Speaker, NYC Council
Hon. Gale Brewer, Manhattan Borough President
Manhattan Community Board 5