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<http://therealdeal.com/2016/09/30/heres-the-latest-talk-on-the-midtown-east-rezoning/>

**Here's the latest talk on the Midtown East rezoning**  
*Garodnick, Weisbrod talk transit improvements, air rights transfers*



*Dick Anderson and Carl Weisbrod*

By Kathryn Brenzel

Is it strange that the city is helping the state pay for transit improvements? Sure, but the alternative, according to Councilman Daniel Garodnick, is not getting the work done.

Richard Anderson, president of trade group New York Building Congress, posed the question on Friday, asking why the money wasn't instead going to the city's Department of Transportation. Under the Midtown East rezoning proposal, buildings that are within the so-called transit improvement zone will need to contribute a yet-to-be determined amount to improvements identified by the Metropolitan Transportation Authority. Garodnick said the city is currently working with the MTA to choose these improvements, which are on the agency's "list" of projects but aren't necessarily a priority. Garodnick said if the city doesn't step in, Midtown East could wait another generation or more to see change.

"You don't really need to drag the MTA kicking and screaming into a process where the city is developing a mechanism to fund needed transit improvements," he said during an event hosted by the Building Congress at the New York Hilton in Midtown.

"Should the MTA pay for all things related to MTA work? Yes. Can they do that today, when they spend half the year thinking about a \$15 billion hole in a \$32 billion budget? No."

Carl Weisbrod, director of the city's Planning Commission, noted that the money generated by landmark air rights sales — another option for buildings within the rezoned district — will go to DOT public realm improvements. In terms of funding MTA projects, transit improvements benefit the whole neighborhood, he said.

“You need a robust, exciting livable public realm in Midtown East, but that public realm is above ground, below ground, and really needs to integrate well,” he said.

Earlier this week, Gov. Andrew Cuomo announced the latest plans to [redevelop the James A. Farley Building](#) and Penn Station. The MTA is responsible for \$150 million of the \$1.6 billion project — a price tag that caused some agency officials to question where the money was going to come from.

When asked if he foresaw the Farley project as competition for Midtown East, Weisbrod said that because of its size, density and transit, the neighborhood is the most important of the city's three major front office business districts (Hudson Yards, Midtown East and the World Trade Center).

Many details of the [Midtown East rezoning](#) remain uncertain, including the city's cut of proceeds from air rights sales. Garodnick noted that a previous rezoning plan allowed landowners to buy air rights from the city for \$250 per square foot, regardless of location — so, rights at Park Avenue were valued the same as Third Avenue. Garodnick said the price of the air rights will be market-driven this time around. The city is expected to decide on the percentage of air rights proceeds that will go to public improvements by the end of this year.

“Of course, the landmarks want that percentage to be zero, the community board wants that percentage to be 100 and I suspect Carl will propose somewhere, thoughtfully between zero and 100,” he said.

Weisbrod said he expects 5.5 million square feet of new office space to be added to the district over the next 20 years (though the rezoning proposal estimates that 6.5 million could be added across 16 sites). He said that the change of rules governing air rights in the district — allowing them to be transferred throughout the district — will help revolutionize the neighborhood. But don't expect the city to loosen the rules in other neighborhoods.

“I don't think we foresee this becoming a norm for the transfer of air rights throughout the city,” Weisbrod said. “I've said before, if we just allow air rights to float around wherever we have this big mushroom cloud of air rights over the city.”