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KATHY HOCHUL

Penn Station Neighbors Set Out to Create Their Own Area Plan to Counter Hochul's

Community Board 5 resolves to reenvision the blocks targeted for demolition and megatowers under a steamroller state project.

BY GABRIEL POBLETE | OCT 21, 2022, 5:00AM EST







REPUBLISH



Layla Law-Gisiko speaks during a rally Monday against the Penn Station area development plans. | Gabriel Poblete/THE CITY

Local residents and business owners who oppose Gov. Kathy Hochul's looming Penn Station-area redevelopment plan and its megatowers are trying a new tack in their resistance: coming up with a proposal of their own.

The New York City Charter allows community boards to create their own land use agendas for an area, known as 197-a plans. Unlike Hochul's state-controlled Penn project, it would have to go through the city's land use review process. Manhattan's Community Board 5 is considering doing just that.

Last week, CB5 passed a resolution committing to create a zoning framework for "a cohesive future" in the North Chelsea and Penn Station area. The board intends to address concepts board members contend have not been seriously considered by the state, including the possibility of moving Madison Square Garden, the famed arena atop Penn Station whose city permit expires in 2023.

"We've told the governor what we thought of the plan that they spearheaded. We were really genuinely hoping that they would take our comments into account and incorporate it into their plan so that it is a plan that could be acceptable to the community," said Layla Law-Gisiko, chairperson of Community Board 5's Land Use Committee who ran for State Assembly earlier this year to fight the Penn-area plan. "And that didn't happen."

The community board committed to creating a working group of board members, local residents, businesses and other stakeholders, civic groups and experts. It will consider invoking Article 197-a to allow the board to create its own development plans.

Theirs is a bankshot, in hopes of influencing change. If they do go ahead and craft a 197-a plan, it will have to go through a process that includes approval by the City Council — a political seal of approval — but the plan itself is only advisory.

It could also come too late to change the course of already-in-motion plans by the state agency Empire State Development (ESD) to take over properties surrounding Penn Station via purchase or use of eminent domain. ESD claims the area is "blighted," allowing the state to override local development rules.

The Penn Station Area Is on the Verge of Redevelopment. Here's What We Know About the Looming Transformation



Hiram Alejandro Durán/THE CITY

The ESD board approved the general contours of Hochul's plan to raise funds to drastically revamp the neighborhood around Penn Station. Her plan allows for 18 million square feet of mixed-space development around the country's most visited — and possibly most detested — transit hub.

Hochul's <u>Penn Station plan</u> uses a financial scheme known as payments in lieu of taxes, or PILOTs, to capture tax dollars from developers of eight sites surrounding Penn Station, while giving developers increased building capacity at the sites.

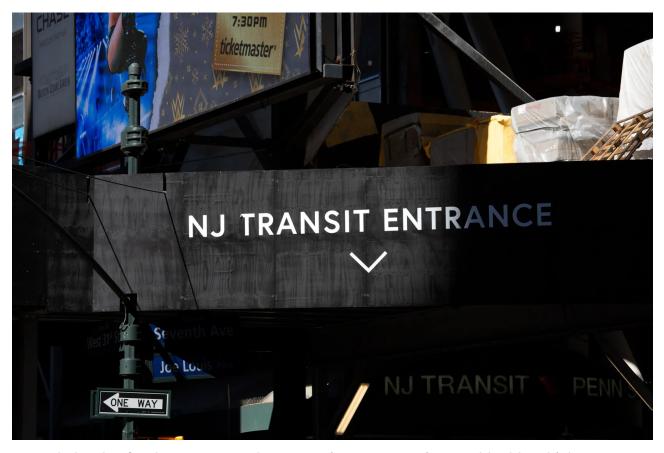
The ESD board must still approve agreements with the developers for each of those sites. Another state entity, the <u>Public Authorities Control Board</u> (PACB), must approve any financial agreements, as well.

Toward Community Buy-In

Community Board 5's move to create its own plan, previously <u>reported</u> by the West Side Spirit, comes as CB5 members have criticized the Hochul plan for not

being comprehensive and not seriously contemplating the removal of Madison Square Garden.

The resolution asserts the plan will aim to be fiscally sound and will address transportation, transit and infrastructure needs in the area, focusing on growth while not displacing existing residents.



In Hochul's plan for the area around Penn Station, construction would add multiple towers to the neighborhood. | Ben Fractenberg/THE CITY

"CB5 believes that although this area is of critical importance for the region and for the nation, the local community is best suited to spearhead and design a plan to address the multiple needs, and work with all stakeholders," the resolution states.

"If there had been community buy-in, we wouldn't be where we are. If there had been proper outreach, transparency, we wouldn't be where we are," Law-Gisiko said. "We take no pleasure in wasting our time screaming at the state."

Community boards and other sponsors have succeeded in getting 13 197-a plans adopted since the city's 1989 charter reform, according to the Department of Planning's website. Enacting a 197-a includes an environmental review as well as votes from the City Planning Commission and Council.

Tom Angotti, professor emeritus at Hunter College's Urban Policy and Planning department, had been part of the citywide task force that successfully pushed for 197-a plans to be adopted in the charter. He said that while such plans are unlikely to get implemented outright, they give communities with little leverage a role in decision-making.

"A plan can be one element in supporting an alternative that will demonstrate the infeasibility and the unreality of the plan that the state has developed," Angotti said.

Angotti noted, however, that the monthslong Uniform Land Use Review Procedure (ULURP) process could bog down the Penn-area alternative plan — and noted that the 197-a plan for Williamsburg took over 12 years to develop.

Even then, the major Williamsburg-Greenpoint rezoning in 2005, which has since brought high-rise luxury development to the waterfront, went against some of the major recommendations of the 197-a plan, which emphasized the need to preserve industrial jobs in the longtime manufacturing area.

When it comes to the community being pitted against the state, he said, "it's an uphill battle.

"But you know, some of those battles have actually turned out against the state," he said.

Ongoing Opposition

Manhattan Community Board 5 is not alone in challenging the state's Penn-area redevelopment plan.

Richard Ravitch, the former chair of the MTA and the Urban Development Corp. — Empire State Development's predecessor — <u>came out against the project</u>, urging the PACB to vote it down. (Ravitch is on the Board of Directors of THE CITY.)

Last month, a Manhattan lawyer <u>filed a lawsuit</u> demanding that the state disclose communication between the state and Vornado Realty Trust, the largest private stakeholder, whose principals have made substantial campaign donations to Hochul and her predecessor, Gov. Andrew Cuomo.

In addition, a group called the Grand Penn Community Alliance has been running social media ads against the state's project, most of which are focused on moving Madison Square Garden from its current location. The organization's executive director, architect Alexandros Washburn, a former urban designer for the city, said to the Vision Long Island's Main Street News, "Let's rebuild the Garden, it's not an impossibility. If you're in government, you don't just throw up your hands and say 'that's fantasy."



Residents and small business owners protested the Penn Station area redevelopment plans on West 30th Street, June 15, 2022. | Ben Fractenberg/THE CITY

Law-Gisiko received <u>significant support</u> during her campaign from property owners in the Penn Station area whose buildings stand in the way of development and oppose the Hochul plan.

Reinvent Albany, a good government group, released a <u>report</u> in July that the Penn Station project would result in a \$1.2 billion tax cut to Vornado Realty Trust, a developer with a stake in five of the development sites, if it is modeled similar to the Hudson Yards project. The state has said any tax abatement will not go beyond those given to developers at Hudson Yards, but has yet to say if Vornado or any other developer involved with the Penn Station redevelopment would receive a tax cut

Rachael Fauss, senior policy advisor for Reinvent Albany, said the project could still change, noting that the PACB still has to approve agreements between the state and developers. She also said that CB5's move to do its own plan challenges the notion that the area is blighted, since it shows an engaged community ready and able to reenvision their neighborhood.

"I think until it's built, until the construction starts and the demolition starts, there is that opportunity," she said. "A lot can change in terms of political dynamics in the state."

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