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Memorandum

To: Members of the New York City Planning Commission

Hon. Marisa Lago, Chair

From: Karen Meara

Nicholas Tapert

Subject: New York Blood Center – Center East, ULURP # C210351ZMM, N210352ZRM,

C210353ZSM

Date: September 14, 2021

We write as counsel to Friends of the Upper East Side Historic Districts ("Friends") to supplement our comment memo of August 9, 2021 ("CLM Memo") and the accompanying written comments of Friends and its land use consultants George M. Janes & Associates submitted in opposition to the application (the "Application") of the New York Blood Center (the "Applicant"). In part, we respond to statements in the letter from Applicant's counsel to the Commission dated August 13, 2021, (the August 13 Letter). Nothing in that letter changes the fact that the Applicant's project, as proposed, is unprecedented, contrary to sound planning policy, and unnecessary.

Economic Policy Alone Should Not Drive Land Use Decisions

The Applicant spent considerable time in the August 13 Letter discussing the value to the City of expanding the life sciences sector. That misses the point. One can both support expansion of the City's life sciences sector and recognize that siting tall bulky commercial labs in the middle of a low-scale residential block is both unprecedented and contrary to sound land use policy and practice. One can also recognize that siting this project in this location would have an outsize impact on the students in the Julia Richman Education complex, who come from all corners of the City, and New Yorkers who live or work in the neighborhood and rely on St. Catherine's park as a respite from the bustling streets. Indeed, this Commission balances important non-land use policies with planning principles all the time; it did so recently when it expressed concern about scale, bulk and shadows during its review of the 960 Franklin application, despite the fact that the 960 Franklin project would advance the City's affordable housing policy. The Applicant appears to take the position that expansion of the Life Sciences sector should trump all other considerations. Friends asks you to reject that myopic approach as contrary to your mandate and longstanding practice.

¹ See <u>August 16th, 2021: City Planning Commission Review Session - YouTube</u> at 3:23:07 and 3:25:30, comments of Chair Marisa Lago (stating that the 960 Franklin proposal "resulted in a bulk envelope and density that are both grossly out of scale and inappropriate for this location" and that affordable housing goals "must be balanced by building form and scale that are appropriate for the location.")

The Project Is Unprecedented

The proposed project site, with its R8B midblock zoning and built context that is overwhelmingly consistent with the R8B building envelope, is not the type of location that the City has ever targeted for a building with this unique combination of large floorplates and substantial height. Nor is it the type of location on which the City typically allows any commercial use, let alone over 6 FAR of such use.

There are no comparable examples of projects with this use and scale in this context

The Applicant spends considerable time explaining why labs require large floor plates, and then claims that the project, as proposed, is comparable to existing institutional lab facilities, identifying some examples. August 13 Letter at 12. Once again, the Applicant misses the point. Friends does not question whether institutional or commercial labs require large floorplates. Large floorplates, by themselves, are not the issue. The existing Blood Center has large floor plates, and a full coverage alternative, which Friends supports, would have large floorplates. Rather, large floor plates combined with substantial height and minimal setbacks is what makes this project *in this location* so problematic and unprecedented. Because tall buildings with large floorplates and minimal setbacks block light and air, the City has been quite selective in where it has allowed such structures, including when it has approved zoning changes in support of new lab space. Context matters. The Applicant ignores or distorts the stark discrepancies between the existing context and the proposed project.

Each and every one of the examples provided by the Applicant as "comparators", as well as the Audobon Research Park and Alexandria Center (see August 13 Letter p. 4), reinforces the unprecedented nature of the project in context. Each is part of an institutional campus, many are much shorter than the proposed project, most front wide streets, most have much lower lot coverage than the proposed tower (and, in most cases, smaller floorplates), all are more consistent in height, bulk, maximum allowable FAR, and use with adjacent zoning and built context, and where they are not, the structures themselves and/or the inconsistent adjacent uses have substantial setbacks. None of these purportedly comparable examples is surrounded by and shoehorned between low to mid-scale residential uses. Finally, we note that the Applicant substantially exaggerates the floorplate size of five of these examples.² To see the incongruity of this project versus purported "comparators," including height, typical floor plate size and lot coverage, please see Exhibit A prepared by George M. Janes & Associates.

And while the Applicant tries to steer the conversation away from potential comparators in commercial and manufacturing zones with grossly different neighborhood contexts, Exhibit A includes several examples that demonstrate how this proposal has a lot in common, in terms of bulk, with lab space in high-density C districts and M districts. See Exhibit A at 16-24.

The Applicant further argues that the project "is not a novel commercial incursion into a residential neighborhood; it is simply another example of a building, whether commercial or institutional, that houses state-of-the-art laboratories and can be developed in residentially zoned areas." August 13 Letter at 12. This is quite a stretch and contrary to any land use policy the City has ever articulated. For example, the City has publicly expressed its support for the

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² For example, the Applicant describes the Belfer Research Center as 25,000 square feet, (see August 13 Letter at 12) but an apples to apples comparison with the proposed Blood Center tower based on outer dimensions derived from the City's 3D map indicates a typical floor plate is about 22,500 square feet. See August 13 Letter at 12.

siting of commercial life science labs in several *commercial* zones. See Addendum 1 to CLM Memo ("Life Sciences in Commercial Zoning Districts," Memo to Deputy Mayor Alicia Glen dated December 13, 2016 (the "2016 Memo")). Noticeably absent from the 2016 memo is any mention of, let alone support for, the Applicant's claim that commercial labs should be developed in residential areas, at any bulk, let alone the bulk proposed here.

In yet another attempt to argue that the rezoning of a contextual residential midblock to allow over 6 FAR of commercial uses in an extremely bulky building is not unprecedented, the Applicant points to a C2-5 commercial overlay on a few nearby midblocks. See August 13 Letter at 10. However that commercial overlay district does not alter the underlying R8B zoning envelope and does not allow more than 2 FAR of commercial uses on those blocks, and thus bears no resemblance to the proposed project.³ Indeed, the Applicant offers no truly comparable examples because there simply aren't any.

There is nothing "atypical" about this block

The Applicant claims its proposed dramatic shift in use and bulk would not "be a compromise of the urban context the R8B seeks to preserve" because the project site is on an "atypical block. marked by a significant presence of non-R8B buildings." August 13 Letter at 9. However, there's nothing atypical about it, and no "significant presence" of non-R8B buildings. As discussed in Friends' August 9 submission, most of the block is consistent with R8B height limits, including the Blood Center, and the entire block is consistent with R8B uses. See Exhibit B to CLM Memo; see also Friends of the Upper East Side Historic Districts' Written Testimony and Exhibits (August 9, 2021) ("Friends' Testimony").4 The 1985 Commission report approving the R8B mapping recognized the contribution not only of residential uses to the R8B context. but also non-residential uses: "there are also non-residential buildings ... that maintain lowscale midblock characteristics." Report at 4.5 In the Upper East Side Midblock Study prepared as a precursor to approval of the 1985 Upper East Side Midblock Rezoning (the "Study"), the Department of City Planning identified 220 such R8B conforming non-residential buildings within the 175 block study area. Study at 5.6 In other words, it is entirely "typical" within this R8B district to find one or more non-residential uses, like the Blood Center, contributing to the low scale of an otherwise residential midblock.

Similarly, there is nothing "atypical" about the fact that there are 2 residential buildings on the Blood Center block that exceed the R8B height limit by modest amounts – 40 feet in one case and 45 in the other. This is clear from Exhibit B to the CLM Memo, which shows that, in the quadrant of Community Board 8 in which the Blood Center is located, 19 of the 27 full or partial midblocks mapped R8B have at least one building that rise to a height of between 76 feet to 150 feet. In other words, the pre-1985, 115 to120-foot buildings, which the Applicant labels "atypical" and "12-14 story" (see August 13 Letter at 6), while failing to mention their modest heights, are a form that is ubiquitous throughout the R8B district. See Study at 5 (mentioning non-conforming 12-15 story residential buildings built in the 1940's and 50's as a recurring

⁶ See excerpts of the Study attached hereto as Exhibit B.

³ Three of the four midblocks are quite distinguishable; an offramp for the Queensborough Bridge runs through them.

⁴ For example, see aerial view of project site at p. 3 Exhibit B of CLM Exhibits to August 9 memo. See also midblock height mapping at p. 9 Exhibit E to Friends Testimony.

⁵ See Exhibit H to Friends Testimony.

⁷ Source: NYC GIS data (showing 333 E. 66th Street as 119.5 feet and 342 E. 67th Street as 114 feet)

form). What would be "atypical" is constructing a building with 32,600 square foot floor plates that rise to a height of 334 feet – more than four times the R8B height limit.

Nearby context does not support the departure proposed

The Applicant also once again points to a handful of taller buildings on other mid-blocks – three between 200-300 feet, two above 300 feet, and one 160 foot building miscategorized as over 200 feet -- as grounds to destroy the scale of this mid-block. See August 13 Letter at 9. However, as noted in Friends' Testimony at page 2, these buildings were the impetus for mapping R8B in the first place,⁸ and in any event are distinguishable by virtue of their significant setbacks and low lot coverage, which at least partially mitigates the impact of their height.⁹ None of these outliers is comparable to the proposed project. The Applicant does not and cannot point to a building with the unique combination of large floor plates, high lot coverage, low setbacks and substantial height in the middle of a comparable block because there isn't one. The proposal truly is unprecedented.

Friends asks the Commission to engage in thoughtful planning

The Applicant also implies that opponents of this rezoning believe zoning should be static. That's simply not true. Friends recognizes that the City's built environment is constantly evolving to meet a wide range of needs and that zoning needs to evolve as well. Careful planning ensures that this evolution occurs in a thoughtful manner that balances competing needs and policies. For example, when this Commission rezoned a development site on West 108th Street from R8B to R8A, it balanced the need for affordable housing with the need to preserve liveability and scale on narrow residential side streets in dense neighborhoods. Similarly, when it rezoned East New York, it located "growth corridors" on wide streets like Atlantic Avenue while mapping low scale contextual zones on residential midblocks. That careful balancing is entirely absent here. Friends is sympathetic to the Blood Center's need to update its facility and therefore would support an alternative that respects the existing context but waives certain bulk requirements to give it the large floorplates it desires. But it cannot and will not stand by silently while the Applicant asks you to ignore every sound zoning principle this Commission has embraced over and over again on the false premise that there are no viable alternatives for supporting both the continuation of the Blood Center's work and the growth of the life science sector.

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⁸ See, e.g. Report at p. 4-5 (discussing the incompatibility of the 17 to 21 story towers encouraged by R7-2 and R8 zoning with the existing context).

⁹ 211 East 70th St was built in 1975 under C19-R8 rules and its tower covers only 28% fo the zoning lot, with substantial open space to the east and west; 211 East 68th Street was built in 1961 under 1916 25% tower regulations on a two-acre lot; The Landmark Manhattan House was built in 1951 under 1916 regulations using the 1916 25% tower regulations on a widened 66th Street so that wide street rules would apply; 200-210 East 65th Street was built in 1987 but permitted prior to the rezoning. The over 300 ft tower is primarily within 100 feet of Third Avenue, with only 25 feet extending into the midblock, with the tower covering just 14% of the lot, and substantial open space and setbacks in the midblock portion of the lot; 220 East 65th St was built in 1978 under R8 rules with a building that covers 31% of the zoning lot, and is a classic example of the type of tower the Upper East Side Midblock zoning was intended to eliminate; finally, 305 East 63rd Street was built in 1931 as a commercial building and converted to residential in the 1990's, and, according to its C of O, rises to 160 feet, not over 200.

The Proposed Rezoning Is Not Necessary to Advance the Applicant's or the City's Goals

According to the Applicant, the proposed project would achieve two goals – it would give the Blood Center a new, larger, updated facility, and it would also create a "life science hub" – a commercial lab with over 300,000 zoning square feet. As Friends noted in its August 9 submission, both of these distinct goals could, and in fact would, be met without the project or through an alternative that the community would support.¹⁰

Although the Applicant strains to link these goals, the facts indicate otherwise. The Blood Center would not own or control the 313,000 square feet of commercial lab space proposed to be developed on the project site. Instead, Longfellow, an entity that has no application before the Commission and that sent no representative to the Public Hearing with the Applicant team to answer your questions, would own the commercial lab space as a separate condo unit and would have exclusive control over which companies could lease the space. In other words, there are really two distinct projects and no valid policy reason why they both need to be located together on this inappropriate site.

The proximity argument is unsubstantiated

In an attempt to circumvent this weakness in the proposal, the Applicant spent considerable time in the August 13 Letter rehashing its "proximity" argument. Basically, the Applicant argues that (1) because some researchers affiliated with the Blood Center have some unquantified and unsubstantiated relationships with some researchers affiliated with some nearby institutions, maintaining proximity with those institutions is more important than any zoning policy consideration and, (2) "full participation in the life sciences economy of the world-class institutions in the East 60s" will not happen unless a commercial life science facility is located on East 67th Street. See August 13 Letter at 4. There's no support for either premise.

Friends engaged Urbanomics to evaluate the HR&A report upon which the Applicant's proximity arguments rely. Urbanomics concluded that the HR&A report's proximity arguments, including the argument that viable life science clusters must be within easy walking distance, are "unsubstantiated" and "refuted." See Urbanomics Inc., "New York Blood Center Proximity Study Peer Review", August 31, 2021 (attached hereto as Exhibit C) (the "Urbanomics Review").

Specifically, regarding the claim that development of a life sciences hub on the East 67th Street site is somehow critical to the future of the City's life sciences industry, Urbanomics found that (a) the most important quality for a life science facility in New York City is access to public transportation, not walking distance to major institutions; (b) the City does not need the project to meet its life science expansion goal of an additional 3 million square feet by 2025, as CBRE projects that over 5 million square feet of life science space will be available by then; (c) the City, the real estate industry, and the construction industry view "life science hubs" in far broader geographic terms than the Applicant's "close walking distance" argument; (d) HR&A's review of other markets "fails to describe those life science locations as only a small part of

¹⁰ See CLM Memo at 3-5 and George Janes Written Testimony of August 9 (Janes Testimony), page 1 and Exhibit A thereto.

¹¹ See video of Special Meeting of Community Board 8, May 25, 2021, available at https://www.cb8m.com/event/19982/ (NYBC Vice President Rob Purvis at 19:10: "Longfellow will acquire an interest in the property from the Blood Center and will be responsible for constructing the new building. Once constructed, the Blood Center and Longfellow will each own a condominium within the building.")

much larger market areas in their respective cities;" and, (e) the sources on which HR&A relied for its "easy walking distance" argument are either outdated or not specific to the life science industry. Urbanomics Review at 2-3, 8. Finally, Urbanomics found that none of HR&A's "cited sources provide any evidence, nor do they ever even state, that constructing a life science tower at NYBC's East 67th Street address is important, much less critical, to the ongoing development of the life science industry in New York City." Urbanomics Review at 3. Indeed, as noted in the CLM Memo, the DEIS assumes that, under the future no action condition, the life sciences industry will continue developing in other locations. See CLM Memo at 3-4.

Anecdotal evidence supports Urbanomics' conclusion that the Applicant's narrow view of proximity is not necessary or critical to collaboration between institutions and life science companies; NYU has a commercial lab partner located in Hudson Square, over two miles from its main campus, 12 and Mt. Sinai has leased 165,000 square feet of lab space on 11th Avenue, over four miles from its main campus. 13 Life Science developers have expanded into locations as diverse as Long Island City (Innolabs), West Harlem (Harlem Biospace) and Midtown South (the Cure), indicating those catering to this niche market expect to be able to draw tenants regardless of whether major medical institutions are within walking distance. 14 Indeed, rather than focusing on a single nearby institution, Harlem Biospace's website touts that "NYC has nine major academic medical centers, with the second highest level of federal National Institutes of Health (NIH) funding of all cities in the country" to attract tenants. 15 We are aware of no evidence in the record supporting the Applicant's claim that somehow, if commercial life science labs are not developed on East 67th St, as opposed to elsewhere in Manhattan western Queens or south Brooklyn, neighboring institutions, or the life science industry, will suffer.

The Urbanomics Review also concludes that the Applicants' claim that the Blood Center must remain in its existing location to avoid disruption of existing relationships is completely unsubstantiated: "The [HR&A] Report provides no evidence that these relationships exist, nor are there examples of other such disruptions ever having occurred where an institution moved from one City address to another." Urbanomics Review at 17. Available data indicate that researchers affiliated with the Blood Center are far more likely to collaborate on research with non-neighbors, including those affiliated with other New York metro region institutions (e.g. Albert Einstein College of Medicine, Bronx, NY, City University School of Medicine at City College, Regeneron Genetics Center, Tarrytown, NY) than with researchers located within easy walking distance. Reviewing 2021 publications to date, Urbanomics found that, of 76 publications by researchers affiliated with the Blood Center, only 6 (6.6%) were prepared in collaboration with researchers from neighboring institutions. Urbanomics Review at 30. The vast majority of collaborators (over 80%) were affiliated with institutions located in other states and other countries. The fact that Blood Center-affiliated researchers have managed to establish and maintain relationships with researchers across the City, the region, the country and the globe - not just, or even primarily, those within a 0.1 mile distance of the Blood Center undermines any claim that the Blood Center's future research hinges on remaining in this specific location.

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¹² See, e.g., <u>Key Resources | LifeSci NYC</u> (listing BioLabs@NYULangone)

¹³ Mount Sinai to Open 165K SF Facility on Manhattan's Far West Side – Commercial Observer.

¹⁴ Welcome to Innolabs — Premier Life Science Laboratories in LIC (innolabslic.com); Key Resources | LifeSci NYC.

¹⁵ Our Story — Harlem Biospace.

Moreover, the statements the Applicant has made regarding the importance of its own pre-existing relationships cannot be relied on to draw any conclusions about the independent commercial labs that would occupy space on East 67th Street and whether such companies would be more likely to affiliate with researchers at neighboring institutions over researchers at other institutions in the metro area. As the Urbanomics review points out, real estate agents marketing commercial lab space are not limiting their pitches to the extremely narrow geographic range that the Applicant asks you to use to define "cluster" or "hub." To the contrary, the market views all of New York City as a cluster. See Urbanomics Review at 17-23.

Commercial office and manufacturing properties offer real alternatives

As noted in the CLM Memo, the City's current high commercial vacancy rate presents an opportunity for conversion of existing commercial buildings to life science uses. While not every one of these properties is appropriate for conversion, the Applicant's attempt to downplay this very real option is not supported by evidence;¹⁶ as per a Q1 2021 report from CBRE, the City has another 1.9 million square feet of life science lab space coming online in 2021, primarily through conversion, not new construction. See Urbanomics Review at 8-9 and Figure 1.¹⁷ According to CBRE, more conversions are expected as leases end. *Id.* at Figure 1. And as is evident from the City's own LifeSci map, and as discussed above on page 6, commercial lab space has been developed throughout the City, not only on institutional campuses but also on sites zoned commercial or manufacturing in neighborhoods like Hudson Square, Park Avenue South, the far West Side and Long Island City. Notably, the Applicant's development partner recently purchased a large office property in California for life science conversion.¹⁸ For examples of some of these facilities, see Exhibit A at pages 16 to 24.

The Blood Center could rebuild a larger facility onsite under current zoning or via a full-coverage alternative

As discussed in previous submissions, Friends supports the Blood Center continuing its work in its current location. The DEIS assumes the Blood Center could and would build a new larger facility regardless of whether the project is approved. To the extent the No Action alternative would produce a less than ideal building envelope, Friends would support an alternative that waives yard requirements to give the Applicant the floorplate layout it prefers. Notably, a new facility complying with the R8B height limit but with full lot coverage would have double the gross FAR as the Applicant's current facility – 321,974 versus 159,091 – which would yield 100% of the community facility space the Blood Center would own under the proposed rezoning (206,400 gsf)¹⁹ and an additional 115,574 gsf that could be used for community facility or commercial uses.

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¹⁶ It's not even supported by the Applicant's citation – even if conversion is "not necessarily more cost effective" than a new building, it's not more expensive and may be less expensive in some cases, and therefore is a viable alternative. See August 13 Letter at 6.

¹⁷ See also New York Building Congress, "NYC Checkup: An Examination of Health Care & Life Science Construction" (July 2020) at 37-38 (listing life science projects, including multiple planned/completed conversions).

¹⁸ Longfellow Real Estate Buys Bay Area Campus for \$156M - Commercial Property Executive (commercialsearch.com)

¹⁹ See DEIS Table 1-1 (206,400 gsf for Applicant under With Action condition)

The only goal that cannot be fully achieved by balancing the City's economic development goals with good planning policy is subsidy

Ultimately, the Blood Center seeks to develop a completely independent commercial life science lab on its East 67th Street site so that it will reap the subsidy created by such a substantial upzoning. When asked by a member of the Community Board why the Blood Center didn't provide additional alternatives such as the full-coverage alternative proposed by George Janes (and described above), the Applicant's counsel replied "the Blood Center approached this project with a goal of being prudent about the use of its endowment, and that a project of that size [the full-coverage alternative] was not consistent with that goal....preserving the endowment."20

The Applicant has not shown any willingness to compromise, on shadows or otherwise

The Applicant also claims that project opponents are unwilling to compromise. However, as just discussed, Friends has identified an alternative that would yield substantially more floor area than the No Action alternative, and would eliminate the primary drawback of that alternative bifurcated and smaller floorplates. If anyone is failing to offer compromise here it is the Applicant. The Applicant claims that the reduced shadow alternative – the only one offered in the DEIS other than the No Action alternative -- is not financially feasible. And although the Applicant assured the Commission that it was looking at ways to mitigate shadows,²¹ both its comments at the hearing and in the August 13 Letter indicate those were empty words. First, the Applicant team admitted that any "compromise" to mitigate shadows would not involve reducing the number of floors.²² Second, instead of offering any mitigation proposals, the August 13 Letter's discussion of shadows essentially says, don't worry, it's not that bad, and maybe we'll pay for a new comfort station.

The Applicant's list of "supporters" cannot be relied on as evidence of support for the land use changes proposed here

Friends asks that you give no weight to the redacted list of "supporters" included with the August 13 Letter. The web page that links to the form on which these names were collected²³ does not provide a clear and accurate depiction of the scope of changes proposed, and at best should be viewed as indications of general support for the Blood Center's work, certainly not an endorsement of the bulk and scale of the proposed development.

²⁰ May 2021 CB8M Land Use Committee Meeting - YouTube (beginning 3:33:15). The August 13 Letter also reinforces the notion that free FAR is a driving force: in its discussion of the (unavailable) Sotheby's site, the Applicant's counsel admits that even if the site were available it would be ""prohibitively expensive" because "it is zoned for more than twice the as-of-right density as the NYBC site." See August 13 Letter at 5.

²¹ See July 29th, 2021: City Planning Commission Special Public Meeting - YouTube at 2:58:00 through 3:01:25.

²² See FN14.

²³ See Help Us Expand New York Blood Center's Life-Saving Work | New York Blood Center (nybloodcenter.org) (for example, the webpage and linked documents nowhere disclose that the new facility would be 334 feet tall)

The C2-7 zoning would allow the type of as-of-right midblock towers that were the catalyst in 1985 for enacting the Upper East Side Midblock Rezoning

Finally, as Friends pointed out in its prior submissions, the current proposal would allow midblock towers. To underscore the absurdity of that consequence, we have prepared a rendering of one possible as-of-right tower configuration. See Exhibit A at 26.