

**A. PROJECT IDENTIFICATION**

The New York State Urban Development Corporation, doing business as the Empire State Development Corporation (ESDC), is proposing to purchase the James A. Farley Building and the Western Annex (collectively referred to as the Farley Complex) from the United States Postal Service (USPS). The approximately 1.4-million-square-foot Farley Complex occupies a superblock over the Pennsylvania Station (Penn Station) rail yard between Eighth and Ninth Avenues from West 31st to West 33rd Streets (see Figure 1-1). In 2002, the Moynihan Station Development Corporation (MSDC), a subsidiary of ESDC formerly known as the Pennsylvania Station Redevelopment Corporation (PSRC), entered into a Memorandum of Understanding with USPS for the sale of the Farley Complex. ESDC, as the parent corporation of MSDC, is undertaking this purchase for the purpose of redeveloping the Farley Complex into a new intermodal transportation facility supported by new commercial development.

A preferred developer was conditionally designated in July 2005 subject to an ESDC/MSDC Designated Developer Selection Process that included a Request for Qualifications (RFQ) and a “Request for Developer Proposals” (RFP) (that process is described in more detail in a section below). Three qualified developers submitted proposals for consideration pursuant to the RFP. The proposed Farley Post Office/Moynihan Station Redevelopment Project (Farley/Moynihan) has both public and private components, the combination of which will enable ESDC/MSDC to move forward with the development of a fully funded transportation facility, while giving the private development community a unique opportunity to build one of the first new projects in the redevelopment of far West Midtown, an area defined as that located west of Seventh and Eighth Avenues between West 59th and 28th Streets.

The public component of the proposed project would consist of approximately 300,000 square feet of space for use as the new Daniel Patrick Moynihan Station (the Moynihan Station) and approximately 250,000 square feet of space for USPS postal operations, together with certain common areas and common building systems serving the Farley Complex. To assist with the development of the public component of the project, ESDC/MSDC has secured federal, state and city funding, as more fully described below.

The private component of the proposed project would initially consist of approximately 863,000 square feet of space available for private commercial development (including approximately 100,000 square feet of space to be dedicated to private transit-oriented retail uses). The proposed project’s private component would also include the option to purchase unused development rights of up to 1 million square feet of zoning floor area that could be used for additional development on the project site or transferred to off-site parcels on adjacent blocks.

For the purposes of the environmental analyses, it is assumed that the proposed project would be constructed in up to two development phases. Phase I—development of Moynihan Station, USPS space, and the commercial uses within the Farley Complex—is expected to be completed

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by 2010. Phase II would consist of the utilization of the 1 million zoning square feet (zsf) of unused development rights. Two of the developer teams proposed construction of a new commercial building over the Western Annex with those development rights—that overbuild would likely be completed by 2015. The third developer team (the conditionally designated preferred developer) proposed transferring the unused development rights to an adjacent site under their control. Instead of constructing a commercial overbuild on the Western Annex, the conditionally designated preferred developer would construct a primarily residential or mixed-use building of up to 1.1 million gross square feet (gsf) on the eastern side of Eighth Avenue at West 33rd Street by 2010, concurrently with Phase I of the proposed project.

In order to analyze the potential environmental impacts of the proposed project, this Final Environmental Impact Statement (FEIS) has been prepared in accordance with State Environmental Quality Review (SEQR) regulations and guidelines (see Chapter 2, “Analytical Framework”). It also provides the information needed for the USPS, the Federal Railroad Administration (FRA), and the Federal Highway Administration (FHWA) to comply with the requirements of the National Environmental Policy Act of 1969 (NEPA).

This chapter provides an overview of the various elements that are likely to compose the proposed project; the purpose and need for the project, including a brief history of the project and previous proposals for the project site; the current planning context; and a summary of the project’s site ownership and financial arrangements.

## **B. PROJECT PURPOSE AND NEED**

### **INTRODUCTION**

The proposed Farley/Moynihan project is a comprehensive initiative conceived to address and fulfill the following specific needs and purposes: to create a major transportation hub that improves circulation and capacity of the entire Penn Station complex, to create a financially viable and dynamic mixed-use development opportunity, and to restore and preserve an important historic resource. This section describes the project site and its development history, and provides a brief history of the project, previous proposals for the project site, and provides more detail related to the goals and objectives for the proposed project.

### **JAMES A. FARLEY COMPLEX**

The Farley Building was constructed between 1910 and 1913 for the U.S. General Post Office. It was designed as a companion to the original Pennsylvania Station (completed in 1910 and demolished in 1963–64), which was located just across Eighth Avenue. It was expanded in 1934 to create the Western Annex; together, the annex and the original Farley Building form the Farley Complex. The architectural firm of McKim, Mead & White designed all three structures: the original Pennsylvania Station, the Farley Building, and the Western Annex. The Farley Complex is listed on the State and National Registers of Historic Places and is a designated New York City Landmark.

The Farley Building fronts on Eighth Avenue and covers the eastern half of the block. It sits atop an extensive track and platform system serving the modern Penn Station as well as a former mail train operation that served the General Post Office. The Farley Building’s Eighth Avenue façade (the primary façade) is a portico of 20 columns reached by a wide flight of stairs. The building plan consists of four four-story office blocks around a central skylight-covered atrium originally

used as a general work floor. Besides space originally built for mail sorting and distribution uses, the Farley Building contains public lobbies, retail windows, administration spaces, and the office of the New York City Postmaster. The building also connects to the platforms of Penn Station below.

Constructed in 1934 to relieve space inadequacies in the Farley Building, the Western Annex expanded the postal facility over the rail yard to Ninth Avenue. Also designed in a neo-classical style similar to that of the Farley Building, the Western Annex is a fully integrated addition to the original structure. Much of the interior space has been used for truck loading and unloading, as well as for administration, carrier operations, and mail sorting. Truck entrances to this space are located on the Ninth Avenue end of the building off a service driveway with exits located on West 33rd Street. Back-in loading docks are located along the West 31st Street frontage near Ninth Avenue.

Although the annex provided a vital upgrade to Postal Service operations at the time it was built, periodic system and facility upgrades have been necessary in the intervening years. Furthermore, USPS eventually expanded and modernized its operations off-site, at the Morgan General Mail Facility and Annex (the Morgan Facility), which is located at West 28th to West 30th Streets and Ninth to Tenth Avenues. Recently, USPS has dedicated considerable resources to creating a modern and efficient operation by consolidating its mail processing, sorting, and distribution operations into the nearby Morgan Facility and vacating considerable space in the Farley Complex, in part to facilitate the proposed project.

### **PROJECT HISTORY AND PREVIOUS PROPOSALS FOR THE PROJECT SITE**

The Penn Station complex is America's busiest passenger transportation facility, handling over 550,000 people daily, which is more than any airport in the United States and more than Kennedy, LaGuardia, and Newark Liberty Airports combined. Yet the present terminal, a three-level, largely subterranean complex constructed after the demolition of the original station in 1963, is inadequate to meet the needs of today's passengers. Already operating at capacity, Penn Station is expected to experience significant operational stress in coming years because of increasing demand for service and a rapidly growing passenger load. The intensive utilization of Penn Station and its projected ridership increases have led to the development of proposals to address these issues.

Planning for a new intermodal transportation facility began in 1991, when Amtrak initiated efforts to improve its New York City passenger facilities in a *Facility and Needs Assessment Report* that evaluated operations, safety, and accessibility in Penn Station. The report identified a need to better manage the movement of users in the station, and it recommended creating additional retail space to generate income for operational costs. When Amtrak learned that space might be available in the Farley Building, the railroad prepared a feasibility study, which concluded that the renovation of the Farley Building to include new Amtrak facilities and linkages to Penn Station had multiple benefits.

In 1992, Amtrak proposed to convert portions of the Farley Building into the Amtrak passenger terminal with retail space and non-public uses. Two years later, Congress appropriated the first of several federal grants for the further development of plans. The FRA, as the lead federal agency, initiated environmental and historic preservation reviews as mandated by NEPA, Section 106 of the National Historic Preservation Act of 1966 (NHPA), and related laws and regulations. In 1995, FRA issued for public comment a Draft Environmental Assessment analyzing the environmental impacts of the Pennsylvania Station Redevelopment Project.

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Further refinement of the project scope and more detailed cost estimates revealed that the project could only succeed through a funding partnership among the federal, state, and city governments and the integration of a private development component. To lead and coordinate that relationship, the Pennsylvania Station Redevelopment Corporation (PSRC), a subsidiary of ESDC, was formed in 1995. PSRC and Amtrak agreed to work together to improve the Penn Station complex, and PSRC assumed lead responsibility for redeveloping the Farley Building as an intermodal transportation facility and commercial center and for securing the necessary funding to complete the project. Those funds were to be congressional appropriations to FRA that would be transferred through a series of grant agreements to PSRC. Additional funding was to come from State, City, and private sources. In 1999, PSRC proposed to enter into a lease agreement with USPS for a portion of the Farley Building and to develop a new Penn Station intermodal transportation facility. As a result of that proposal, USPS agreed to consolidate its mail handling operations in the Western Annex. An Environmental Assessment (EA) was prepared in 1999, and, based on its analyses, ESDC issued a Negative Declaration under the State Environmental Quality Review Act (SEQRA), and FRA issued a Finding of No Significant Impact (FONSI) under NEPA. Subsequent to issuance of the Negative Declaration and FONSI, funding for construction of the new station was secured.

In 2002, ESDC proposed to purchase the Farley Building and Western Annex from the USPS for the purpose of redeveloping the Farley Complex into a new Penn Station (renamed the Daniel Patrick Moynihan Station) and commercial center. At that time, modifications were proposed to the 1999 project. In summary, the main differences between the 1999 project and the modified project were: ESDC would own the Farley Complex, leasing space to USPS, PSRC (renamed MSDC), and other entities; USPS would consolidate most of its existing Farley Complex operations at the Morgan Facility; USPS would upgrade systems and make some changes at the Morgan Facility to accommodate this consolidation; and the additional space in the Farley Complex made available by USPS would be redeveloped with office and retail space. The new retail space would include destination retail space around a two-story arcade in the Western Annex and ancillary retail space (more than what was proposed in the 1999 EA) in the Farley Building.

In 2003, USPS and ESDC prepared a Draft Supplemental EA (SEA) for the modified Pennsylvania Station Redevelopment Project. The purpose of the Draft SEA was to identify and analyze the anticipated effects of the modified project's new components and to assist the USPS, ESDC, and MSDC in making a determination about the magnitude of impacts associated with the modified project. The Draft SEA was also to be used by ESDC as lead agency for conducting the environmental assessment of the modified project under SEQRA and by USPS for its specific actions related to the modified project under NEPA. A Final SEA was not issued because of continuing project discussions and planning.

Phase I of the current proposed project essentially replaces the 2003 plan. In addition, the proposed project now includes, as Phase II, the potential development of up to 1 million zsf of unused development rights.

### **GOALS AND OBJECTIVES**

The goals, with associated objectives, for the proposed project are as follows:

*GOAL 1:* Create a major transportation hub that improves circulation and relieves capacity constraints in the entire Penn Station complex.

- Create a new rail facility in the Farley Building connected to and coordinated with passenger operations throughout the Penn Station complex.
- Ease congestion of rail traffic.
- Redirect pedestrian flow in and around Penn Station to reduce crowding and conflicting movements among intercity and commuter rail users within the passenger terminal and connecting passages.
- Improve access to the platforms used by New Jersey Transit (NJT), the Long Island Rail Road (LIRR), and Amtrak.
- Provide additional passenger amenities (e.g., commuter concourse, ticketing hall, taxi-drop-offs, shops, and restaurants).
- Provide state-of-the-art security and emergency response and egress measures.

*GOAL 2:* Create a dynamic mixed-use development opportunity in the Hudson Yards area and support city and state planning and development policy for the far West Side of Midtown Manhattan.

- Permit reuse of available space in the Farley Complex with a mix of uses that are compatible with the transportation center and land use patterns and policies in the surrounding neighborhood of Hudson Yards, Hell's Kitchen, and West Midtown.
- Permit development above the Western Annex or on an adjacent site with a mix of uses that are compatible with Moynihan Station and land use patterns and policies in the surrounding neighborhood.
- Support economic development through the creation of jobs and taxes.

*GOAL 3:* Restore and preserve an important historic resource.

- Restore and preserve the exterior of the Farley Building, particularly the Eighth Avenue entrance and monumental stairs. Limit other exterior changes to those that would not irretrievably alter the original design concept of the Farley Complex.
- Retain the historic use of the USPS retail lobby and other key interior spaces.
- Create a new intermodal transit hall filled with light and activity reminiscent of the original Pennsylvania Station.
- Ensure that the adaptive reuse of the Farley Complex references the original Pennsylvania Station/Farley Building role as transportation resource, civic gateway, and mail facility.
- Shift development of unused Farley Complex development rights off site or locate any potential overbuild on the Western Annex (and not on the Farley Building), and ensure that its orientation and design will be appropriate to the historic resource.

*GOAL 4:* Provide private as well as public funding to advance the project goals.

## **C. DESCRIPTION OF THE PROPOSED PROJECT**

### **INTRODUCTION**

The proposed Farley/Moynihan project would consist of four components developed in one or two phases. To be completed by 2010, Phase I would include the new Moynihan Station with related retail, space for continued USPS operations, and privately sponsored commercial

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development within the Farley Complex. Phase II is assumed to include a new building constructed on an adjacent site across Eighth Avenue (by 2010) or over the Western Annex (by 2015) using approximately 1 million zsf of the Farley Complex's unused development rights. As part of the preferred developer designation process (described below), ESDC/MSDC received proposals from three candidates. These proposals include design approaches for Moynihan Station and offer a range of uses for the Farley Complex in Phase I and for the utilization of the unused development rights.

The options presented in the three developer team proposals have been used to form likely worst-case development scenarios for analysis in the EIS, as described below. Although a preferred developer has been conditionally designated by ESDC/MSDC, this EIS uses reasonable worst-case development scenarios that reflect the range of development programs proposed by the three developer teams. The reasonable worst-case development scenarios provide a conservative assessment of a range of potentially significant adverse environmental impacts that could result from the proposed project. This analytical approach also provides ESDC/MSDC with the flexibility to work with the other developer teams should any change occur in the conditional designation of the preferred developer.

### **PREFERRED DEVELOPER DESIGNATION PROCESS**

On October 28, 2004, ESDC/MSDC issued an RFP in a process designed to designate the most highly qualified development team as the preferred developer. ESDC/MSDC requested that developers submit proposals for the redevelopment of the James A. Farley Post Office Building, which includes, among other things, the development of the new Daniel Patrick Moynihan Station. The RFP was issued solely to the developers who had been pre-qualified by ESDC/MSDC, subject to a previous RFQ. Developer proposals were submitted on February 18, 2005, and subsequently refined in response to ESDC/MSDC comments during April and May 2005. Key elements of the proposals are incorporated in this EIS. ESDC/MSDC conditionally designated a preferred developer in July 2005.

### **DEVELOPER PROPOSALS**

Three development teams (identified as "A," "B," and "C" in this EIS) submitted development proposals to ESDC/MSDC. Two of the teams, Developers A and B, offered one proposal each for the station, Phase I and Phase II. Developer C (the conditionally designated preferred developer) provided for several options to the Phase II program, including the transfer of development rights across Eighth Avenue and development of a new sports arena in the Western Annex (the arena option is described and assessed in Chapter 20, "Alternatives").

### *ELEMENTS COMMON TO ALL PROPOSALS*

The three proposals would provide basically the same circulation plan and a station layout composed of an intermodal hall at the first floor, a train concourse level below, and a lower concourse. In the 1999 and 2003 plans for the station, there was an additional intermediate level between the concourse and lower concourse levels. No changes to the arrangements of platforms, tracks, and connecting passages are proposed. All proposals would retain a glass structure over the intermodal hall and the entrances proposed in the 2003 Draft SEA. In two of the proposals, the intermodal hall entrances would require that portions of the existing façades of the Western Annex on West 33rd and West 31st Streets be removed. In all proposals these entrances would bring people to the intermodal hall, which would be connected to the train hall

on the concourse level. West of the intermodal hall, each proposal would offer a major 32nd Street pedestrian corridor leading to a grand entrance at Ninth Avenue, although each would be configured differently.

All three proposals would accommodate USPS as required in the October 28, 2004 RFP, and they would maintain the existing entrance to USPS retail operations via the grand Eighth Avenue stairs of the Farley Building. New station entrances are proposed on Eighth Avenue on either side of the stairs. These entrances would be at a lower level than the Post Office and they would lead directly to the train hall. All would provide a truck entrance on West 31st Street (although the exit locations would vary) and space for USPS operations on the lower level of the Western Annex, as well as USPS retail and administrative space in the original Farley Building on Eighth Avenue. In each proposal, additional office space for USPS would be provided, but the proposals differ in the location of this area.

#### *DEVELOPER "A" PROPOSAL*

Developer A proposes to accommodate the USPS with approximately 253,000 square feet of space in the Farley Building and Western Annex. The design of Moynihan Station would consist of an intermodal hall at ground level, a concourse level, and an expanded and widened West End Concourse. The intermodal hall and the concourse would be on separate levels under an intermodal hall skylight (see Figure 1-2) and a reconfigured train hall skylight. A pedestrian corridor would lead from a new lobby and arcade at Ninth Avenue to the intermodal hall along the alignment of West 32nd Street. Approximately 100,000 square feet of train station retail would also be provided.

The Phase I commercial space within the Farley Complex (primarily in the Western Annex) is envisioned as a center for "big-box" and entertainment retailers. It could accommodate one to three stores in a flexible layout with the major street entrance on Ninth Avenue on axis with West 32nd Street. This proposal would adopt the truck entry and exit arrangement of the plan proposed in the 2003 Draft SEA. Trucks would enter on West 31st Street in the location of the existing truck docks, which would be removed for the entrance, and they would exit on West 33rd Street via a ramp built in the existing moat.

For Phase II, Developer A proposes to utilize the Farley Complex's unused development rights to construct an approximately 1-million-sq-ft, 40-story office building above the Western Annex (see Figure 1-3). Such a building could accommodate a major financial service firm, and the proposal would include a trading floor on the roof of the Western Annex. The commercial overbuild would be located on the north side of the Western Annex, and the entrance and lobby would be on West 33rd Street adjacent to the station entrance. Tenants could enter the building either directly from the street or from the station.

#### *DEVELOPER "B" PROPOSAL*

Developer B also proposes to design Moynihan Station with an intermodal hall at ground level, a main circulation area on the concourse level, and a lower concourse (see Figure 1-4). As proposed by Developer B, the lower concourse would be a larger structure than the widened and extended West End Concourse proposed by Developers A and C. This proposal would create approximately 92,300 square feet of train station retail. The truck entrance and exit would be via a two-way ramp on West 31st Street in the location of the current truck docks.

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In Phase I, the public space of the intermodal hall would be extended into the Western Annex by creating a five-story courtyard, which would also serve as the 32nd Street corridor to Ninth Avenue (see Figure 1-5). The courtyard would lead to a grand entranceway on Ninth Avenue. Included in the programming for this portion of the Farley Complex would be public art exhibitions, cafes, and live performances; a 20,000-square-foot contemporary art museum linked to the galleries in West Chelsea; and a 33,400-square-foot event and banquet space built of steel and glass on the southern half of the roof of the Western Annex. The hotel proposed for the eastern half of the complex would be 124,400 square feet, or approximately 125 rooms.

Phase II is proposed as an approximately 1.3 million-gsf office building. The building would sit on the northern half of the Western Annex, with an entrance on West 33rd Street (see Figure 1-6).

### *DEVELOPER “C” PROPOSAL*

In July 2005, ESDC/MSDC conditionally designated the Related Companies/Vornado Realty Trust developer team (Developer C) as the preferred developer of the proposed Farley/Moynihan project. Developer C’s proposal includes the Moynihan Station, with a circulation design of lower concourse, Concourse, and intermodal hall (see Figures 1-7 and 1-8). The lower concourse would be a widened and extended West End Concourse, similar to that proposed by Developer A. To protect the architectural integrity of the historic Farley Complex, Developer C, instead of constructing an overbuild on the Western Annex, proposes to transfer the development rights to a site across Eighth Avenue between West 33rd and West 34th Streets that Developer C controls. This site is referred to as the Development Transfer Site (see Figures 1-1 and 1-9).

Approximately 72,000 square feet of train station retail would be provided in the Farley Complex. Like the other two developer team proposals, this proposal would include a new intermodal hall, but the design would be different from that proposed in the 2003 Draft SEA. The skylight would not rise as high above the Farley Building, and it would be set back from the north and south façades, in line with a new train hall skylight (see Figure 1-10). At the new West 31st and West 33rd Street entrances, the mid-block sections of the Farley Complex facades would be retained and restored. An exterior stair would be constructed at the West 31st Street entrance and access would be through the existing window arches. In addition, this proposal would provide a new train hall skylight over the Farley Building atrium (see Figure 1-11) that would be similar in design to the intermodal hall skylight, and there would be a 32nd Street corridor between the intermodal hall and Ninth Avenue. This proposal would create a truck entrance and exit via a two-way ramp on West 31st Street, but it would also retain some of the existing exterior loading docks, which would be moved into the building.

In addition to approximately 263,000 square feet of space provided for the USPS, the Phase I plan for the Farley Complex proposes a mix of commercial uses in the Western Annex. These would include large-scale retail anchors ranging from full-floor to two-floor users, as well as smaller category retail businesses, accessible from the ground and second floors of the 32nd Street corridor, with the potential for street identity and access. The Western Annex would also house a Merchandise Mart. To the east, a 121-room business hotel would occupy several of the upper floors in the Farley Building. Programming for the intermodal hall would include public art exhibitions and performances.

The proposed Development Transfer Site building would stand adjacent to One Penn Plaza, a large office building that currently occupies most of the full block between Seventh and Eighth Avenues and West 33rd and West 34th Streets. As currently contemplated, this 1.1 million-gsf

building would be massed with several sections of varying heights, the tallest of which would be approximately 700 feet tall (see Figure 1-12). There are two development options for the Development Transfer Site building: a primarily residential building and a mixed-use structure. Each would contain 120,000 square feet of retail and 40,000 square feet of mechanical space. The remaining 940,000 square feet in the residential building would provide approximately 940 units. The mixed-use building would be divided between a 310,000-square-foot hotel and a 630,000-square-foot residential component with approximately 630 units. Under each development option, it is assumed that 20 percent of the residential rental units would be developed as low-income housing under the 80/20 affordable housing program.

#### *Arena Option*

In their initial development proposal to ESDC/MSDC (February 2005), Developer C also proposed a development option in which an arena would be constructed within the Western Annex. Since that initial proposal, Developer C has refined the arena option to include the relocation of Madison Square Garden to the Farley Complex, and the redevelopment of the Madison Square Garden site with a large mixed-use project and an improved and redesigned Penn Station. Under this proposal, the overall improved Penn Station would include a new train hall and intermodal hall on the current Madison Square Garden site, as well as a rail terminal to be built within a portion of the Farley Complex. Plans for the arena and the redevelopment of the Madison Square Garden site are not developed sufficiently enough to be quantitatively analyzed in this EIS. Neither ESDC, MSDC, nor the USPS are currently pursuing the Arena option. Therefore, the arena option is not analyzed in this EIS as a development option for the proposed project; it is instead analyzed as an alternative in Chapter 20, "Alternatives." If the arena alternative were to be pursued in the future as the proposed project, a Supplemental Environmental Impact Statement would be prepared at that time, as described in Chapter 20, "Alternatives."

#### *PHASE I REASONABLE WORST-CASE DEVELOPMENT*

The Phase I illustrative development scenario has been formulated based on the three developer proposals and the program included in the 2003 Draft SEA. As shown on Table 1-1, the programs are similar in that they include the train station, some USPS space, and commercial development. The three developer proposals contain no office space in Phase I, unlike the 2003 proposal. Since office space has a lower trip rate than destination retail, which is the predominant use proposed for the Western Annex in all three proposals, commercial office space is not included in the reasonable worst-case development scenario for Phase I. Two of the proposals offer a hotel in the Farley Building, and so this use is included in the development scenario. Banquet use, which can be a high vehicular trip generator is included, but other uses, such as entertainment retail and a merchandise mart, which have lower trip rates than big-box retail, are not considered to be "reasonable worst cases" compared with commercial retail use. Although the merchandise mart proposed by Developer C could attract high daily attendances during trade shows, the peak hour trip generation rates would be equal to or less than rates for commercial office and still lower than that for destination retail. In any case, the merchandise mart only represents a small percentage of the total commercial development proposed by Developer C for the Farley Complex. Therefore, the merchandise mart is not included in the reasonable worst-case development scenario. The reasonable worst-case development scenario sums to 1,408,350 sf, which is comparable to the 2003 Draft SEA and No Action program for the building (see Chapter 2, "Analytical Framework," for further discussion).

**Table 1-1**  
**Floor Area of Land Use Components: 2003 Draft SEA, Developer Proposals,**  
**and Reasonable Worst-Case Development Scenario (in square feet)**

Land Use Component	2003 EA	Developer Proposals			RWCDs
		A	B	C	
Train station	300,000	174,748	219,486	231,194	300,000
Transit retail	100,000	100,499	92,289	72,016	86,000
USPS	250,100	253,084	254,644	263,279	265,000
Commercial office	436,000	0	0	0	0
Hotel*	0	0	124,431	121,099	125,000
Commercial retail	248,000	538,296	302,470	478,020	518,100
Entertainment retail	0	120,121	75,223	0	0
Merchandise mart	0	0	0	86,025	0
Banquet facilities	0	0	33,412	0	35,000
Common areas	50,250	142,024	57,062	67,890	50,250
Docks/service	24,000	**	46,165	**	24,000
Office core/lobby	0	5,369	28,199	0	5,000
<b>Total</b>	<b>1,408,350</b>	<b>1,334,141</b>	<b>1,233,381</b>	<b>1,319,523</b>	<b>1,408,350</b>
<b>Notes:</b>					
* Divide by 1,000 to estimate approximate number of hotel rooms.					
** Service included in Common Areas value.					

The elements of the Phase I reasonable worst-case development scenario are as follows:

*Moynihan Station*

To develop the new train station, all or a portion of approximately 300,000 square feet of the Farley Complex would, through a series of leases/subleases, be demised to one or more railroad users, such as NJT and the Metropolitan Transportation Authority (MTA), with NJT anticipated to be the primary end user. The developer selected by ESDC would be required to design and build the new station. Although the three developer proposals offer some alterations to the design of the station, none of the developers proposes changing the transportation facilities from those proposed in the 2003 Draft SEA. The list of station elements below is therefore the same as that presented in the previous EA.

- New facilities for rail passengers. This would include a new main waiting area and a concourse. The concourse would be a large public space created in the Farley Building to serve both as the main passenger waiting area and railroad station passenger concourse.
- New intermodal hall. As currently contemplated, the hall would be characterized by a glass and metal skylight and would create midblock entrances to the Farley Building from both West 31st and West 33rd Streets.
- New entrances to the Farley Building from Eighth Avenue.
- An increase of the combined total of passenger stairs, escalators, and elevators; an approximately 50 percent increase in passenger circulation space; and direct access to the railroads.

- Improved access to trains/taxi. Access to some passenger/commuter trains would be expanded (it is envisioned that this would likely be an expansion of NJT service) from the existing Penn Station complex to the Farley Complex, and other improvements to aid accessibility would be implemented.
- Porte-cocheres and curb cuts for taxi access located on the mid-block of West 31st Street and/or West 33rd Street.
- Extension and widening of the West End Concourse to Track No. 4.
- Building systems and infrastructure improvements. The project would upgrade the building's mechanical systems to meet the needs of the reconfigured facility.
- Planned restoration program. The building would be comprehensively restored, with stonework and mortar cleaned and refurbished.
- Enhanced access to the Eighth Avenue A, C, and E subway line and significant access improvements to the Eighth Avenue subway entrance.
- A corridor for pedestrian circulation along the former West 32nd Street from the intermodal hall to Ninth Avenue. All three developer proposals include this corridor, although with differing designs.
- Approximately 86,000 square feet of transit-oriented retail and commercial space. This space would be in addition to the approximately 300,000-sf train station and would be part of the floor area leased by ESDC to the designated developer. The development proposals all propose transit-oriented retail space in varying amounts; however, since the total amount of space to be leased would not change, a lower amount of transit retail means more commercial retail and vice versa. Since non-transit commercial space would not be linked to the station use, it would create a greater number of independent person trips than transit-oriented commercial use, including vehicular trips. Thus, a scenario that limits transit-oriented commercial space and includes the greatest non-transit commercial space is considered to be a worst case in this EIS.
- Mail truck access. With the proposed project, the interior configuration of the building's loading docks would be modified. Under two of the developer proposals, the first-floor loading bays would be removed, and new, modern USPS loading facilities would be built on the train concourse level of the Western Annex. The third developer proposal includes a combination of first-floor loading bays and a below-grade loading area. Under all three proposals, the reconfigured below-grade loading area would be accessible on West 31st Street by ramps leading from Ninth Avenue. The USPS loading docks on the exterior of the building at the West 31st Street/Ninth Avenue intersection would be removed under two developer proposals and reduced in number under the third.

### *USPS Facilities*

USPS is currently consolidating its operations at the Morgan Facility, which consists of two buildings on the blocks between Ninth and Tenth Avenues and West 28th and West 30th Streets. This consolidation, which started during the summer of 2003, will reduce the amount of USPS space used in the Farley Complex while increasing the efficiency of postal operations. As part of the proposed project, approximately 265,000 square feet of the Farley Complex would be subleased to USPS for continued use. USPS would continue to occupy the historic postal lobby and upper floor offices in the Farley Building, carrier space in the Western Annex, and postal rail access facilities below the Western Annex.

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### *New Jersey Transit*

As part of the Access to the Region's Core (ARC) project (described below under "Planning Context"), NJT plans to extend Penn Station Platforms 1 and 2 as well as expand the West End Concourse under the Farley Building. This would provide NJT riders full access to all existing tracks serviced by NJT from the Farley Building. ESDC/MSDC have executed a Memorandum of Understanding with NJT to be a subtenant in Moynihan Station. NJT is the fastest-growing commuter rail line in the United States.

### *Phase I Commercial Development*

As noted above, the private development portion of the reasonable worst-case development scenario for Phase I would comprise retail, banquet facility, and hotel space. As shown on Table 1-1, the retail use would be 518,100 square feet, the hotel would be 125,000 square feet, or 125 rooms, and the banquet facilities would be 35,000 square feet.

### *PHASE II ILLUSTRATIVE DEVELOPMENT*

There are two reasonable worst-case development scenarios for Phase II. They are described below.

#### *Office Building Overbuild*

The Developer A and Developer B proposals would result in the development of an office building of approximately 1 million zsf on the north side of the Western Annex. The commercial overbuild is assumed to be completed by 2015.

#### *Development Transfer Site Building*

As described above, Developer C controls an adjacent site on the One Penn Plaza block that could receive the approximately 1 million zsf of the Farley Complex's unused development rights, which could otherwise be used for the Phase II overbuild development. Under this illustrative development, either a primarily residential building or a mixed-use building of up to 1.1 million gsf would be constructed concurrently with the Phase I development on the east side of Eighth Avenue between West 33rd and West 34th Streets. Development of the Development Transfer Site is assumed to be completed by 2010, and if the Development Transfer Site building is constructed, there would be no commercial overbuild on the Farley Complex.

Under the two options for the Development Transfer Site building, a primarily residential building would have approximately 940 units (940,000 square feet) and 120,000 square feet of retail space. A mixed-use option would contain a 310,000-square-foot hotel, 630 residential units (630,000 square-foot), and 120,000 square feet retail space. Either building is assumed to contain twenty percent of the residential rental units developed with low-income rental units provided under the 80/20 affordable housing program.

### **REQUIRED APPROVALS**

To be implemented, the proposed project would require several actions by ESDC and MSDC. These actions are subject to review under SEQRA. In addition, the USPS, FRA, and FHWA must comply with the requirements of NEPA. All of the required actions and approvals for the proposed project are fully described in Chapter 2, "Analytical Framework."

## D. PLANNING CONTEXT

### PLANNING CONTEXT

The Farley Complex is located in West Midtown, within the recently created Special Hudson Yards District, a 59-block area between West 28th and West 42nd Streets west of Seventh and Eighth Avenues. The Special Hudson Yards District has just been the subject of an in-depth environmental review for a rezoning that would expand Manhattan's Central Business District. The purpose of the rezoning is to allow for the revitalization of the district through infrastructure improvements, such as the extension of the No. 7 subway line westward, and zoning changes that would spur development of various types of uses in that area, including fostering new commercial and residential development.

In addition, NJT and the Port Authority of New York and New Jersey (PANYNJ) have ambitious plans for improvements to trans-Hudson rail services, which would include and incorporate the new Moynihan Station and its related improvements into their design and plans. NJT and PANYNJ are currently undertaking planning studies and preparing an EIS for that project, known as Access to the Region's Core.

The relationship between the proposed Farley/Moynihan project and the other major public planning and transportation initiatives in the area are important to recognize. The two most significant initiatives are described briefly below.

#### *HUDSON YARDS REZONING*

The Farley Complex is wholly located within the Special Hudson Yards District. Along with the continued presence of the USPS and creation of the Moynihan Station, the new mixed-use development envisioned by the proposed project is not only consistent with the new zoning in place for Hudson Yards, but is considered to be within the overall development envelope estimated by New York City and analyzed in the Hudson Yards Rezoning and Redevelopment Plan Final Generic EIS (FGEIS). Completed in November 2004, the FGEIS incorporates several years of data gathering and represents the most current assemblage of approved City Environmental Quality Review (CEQR) baseline descriptions of existing conditions and directly applicable impact assessment of future conditions. As discussed in Chapter 2, "Analytical Framework," the Farley/Moynihan EIS uses information from the Hudson Yards FGEIS, as appropriate, in its analyses.

#### *ACCESS TO THE REGION'S CORE (ARC)*

The immediate area around Penn Station and the Farley Complex is within the plans for greatly improving trans-Hudson rail service currently being examined by NJT and PANYNJ. The ARC project entails short- and long-range plans, including construction of a new rail tunnel under the Hudson River, a new commuter station under a portion of West 34th Street, and improvements to existing facilities and connections. While a variety of options are being considered as part of the planning process, the most directly relevant to the proposed Farley/Moynihan project includes improved platform access of certain tracks used by NJT that would enable full utilization by riders using the proposed Moynihan Station. These proposed improvements are assumed to be implemented by the 2010 analysis year of this EIS.

## **OTHER PROJECTS WITHIN THE PENN STATION COMPLEX**

The 1999 EA described a number of additional independent projects—to be undertaken by Amtrak, LIRR, NJT, or the MTA—that were recently completed, underway, or in the planning stages that would affect service and conditions in the Penn Station complex. Many of those proposed projects have been completed. Projects that have been recently completed (since the 1999 EA), are still underway, or are yet to be implemented are described briefly below.

- Amtrak's Acela Express service, providing high-speed trains between Boston and Washington, D.C., on the Northeast Corridor, began in late 1999. This included acquisition of new high-speed trains, electrification of the line between New Haven and Boston (eliminating the time-consuming engine change), and various physical improvements to the corridor rail infrastructure and systems. This resulted in increased service frequency and improved trip times. Improvements are continuing that will bring trip times down even further.
- The Newark Airport Link, connecting the Newark International Airport Monorail with the Northeast Corridor, was completed and put into operation in late fall 2001.
- NJT has completed a general upgrade and redesign of the space it occupies in the existing Penn Station complex. In addition, NJT has recently completed construction of its new East Concourse, which provides additional passenger access to and from their platforms, and has relieved platform level congestion.
- NJT has developed the Secaucus Transfer Project to provide a new station, track reconfiguration, and additional signaling to enable a transfer of patrons from diesel-powered trains on NJT routes to electric-powered trains that are required for the passage through the North River Tunnels to Penn Station. This service began operating on weekends in fall 2003 and commenced full weekday operations by January 2004.
- LIRR has plans to implement a series of signal system, yard storage, and rail infrastructure improvements at Penn Station that will result in an increase in LIRR's peak-hour capacity at Penn Station by about 17 percent. This will enable direct service to Manhattan from some of its non-electrified branch lines using newly acquired dual-mode locomotives and bi-level coaches. (Some of this new service has already started.)
- A new airport access rail link between Penn Station and JFK Airport has been established. It links with the new AirTrain monorail service that has been constructed at JFK, which runs to Jamaica, Queens.
- A new East River crossing to provide LIRR service into Grand Central Terminal has been under study (see *East Side Access Final Environmental Impact Statement*, MTA/LIRR, March 2001). Construction has commenced, and the new service is scheduled to begin operations in 2012.
- MTA is also studying options to improve the Grand Central/Penn Station link to enable some Metro-North trains (which now all terminate at Grand Central) to access Penn Station.

## **E. OWNERSHIP AND FINANCING FOR THE PROPOSED PROJECT**

### **PROPERTY OWNERSHIP**

USPS owns the Farley Complex, subject to certain rights of Amtrak to the subsurface. In 2002, USPS and MSDC entered into a Memorandum of Understanding providing for the sale of USPS's entire interest in the Farley Complex to ESDC. It is expected that USPS will continue

some of its operations in the Farley Complex both during construction of the proposed project and after the project is complete.

After purchase of the Farley Complex, ESDC, as the new owner, will subject the Farley Complex to a condominium regime, thus creating a condominium consisting of various commercial condominium units. Certain of these units will then be conveyed by ESDC to MSDC and all, or substantially all, of the units will be either leased or subleased to the designated developer. For purposes of obtaining historic tax credits, it is anticipated that, with respect to Developer C, there will be multiple layers of subleases to and between affiliates of the designated developer. Ultimately, each of the units will be subleased to the various end user occupants of both the private and public components of the Farley Complex, including USPS and one or more railroad users, such as NJT and/or the MTA.

Concurrently with the effective date of the various leases/subleases to the designated developer, the designated developer (or its affiliate), assuming it is Developer C, would purchase from ESDC unused development rights of 1 million square feet of zoning floor area that is expected to be made available to an off-site parcel(s) on adjacent blocks under the designated developer's control. ESDC would retain the Farley Complex's additional unused development rights.

**PUBLIC FUNDING COMMITMENTS**

Project funding for the public components of the proposed project, including construction of the new Moynihan Station, has been arranged and secured by ESDC and MSDC and includes a combination of both grant funding and prearranged financing, totaling approximately \$600 million. The financing includes funds from the city, through the New York City Economic Development Corporation (EDC), the state (MTA, New York State Department of Transportation, and UDC Bonds), and federal agencies (USPS, FRA, and FHWA). \*