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COMMITTEES:

BANKS
CONSUMER PROTECTION
FINANCE
HIGHER EDUCATION
RULES

October 21, 2005

John E. Potter
Postmaster General
United States Postal Service (USPS)
475 L'Enfant Plaza, SW
Washington DC 20260-0010

Dear Mr. Potter:

I am writing to express my concerns regarding the Postal Services review process for the sale of development rights at New York City Post Offices. The Madison Square Station located in my district is one of a number of historic properties in Manhattan where the USPS is undertaking projects involving the sale of development rights. This sale has the potential to impact both the Post Office and surrounding historic properties.

I am pleased to hear that the USPS has acknowledged that it does have review obligations as set forth in Section 106 of the National Historic Preservation Act. I would urge you to implement the following procedures in relation to Section 106 review of sale of USPS development rights:

- Section 106 review should take place before development rights are sold, and all potential buyers of USPS development rights should be made aware in advance that any sale will have to go through such a review, and that any sale will be contingent upon agreement to satisfy the review's findings and recommendations regarding mitigation or avoidance of impact upon historic resources.
- Potential buyers of USPS development rights should be required to disclose exactly how the development rights will be used and the sale of development rights should be made contingent upon an agreement to use those development rights only as reviewed in the Section 106 review process.
- The use of development rights in such a way as to diminish the stature or public view of a National Register-listed or eligible property – whether owned by USPS or privately owned on a nearby lot – should be considered a negative impact to be avoided or mitigated.

- The use of development rights in such a way that would contribute to or increase the degree of degradation of a National Register-listed eligible property should be considered a negative impact to be avoided or mitigated.
- All sales of USPS development rights should include guarantees that the development rights which have been "sold" and utilized on another site cannot be used again by USPS at some point in the future, in whole or in part, on the USPS site by virtue of USPS's immunity from local zoning regulations.

Adoption of these procedures will help ensure the protection of some of the most important historic resources of our City.

Please keep me informed of your plans for conducting Section 106 reviews of the sale of development rights at the Madison Square Station and other New York City Post Offices. Thank you for your attention to this important matter.

Sincerely,



Liz Krueger
State Senator

cc: Arthur Strange, National Manager, Real Estate, USPS
Congresswoman Carolyn Maloney
Advisory Council on Historic Preservation
New York State Historic Preservation Office
New York State Preservation League
Historic Districts Council
New York Landmarks Conservancy
Greenwich Village Society for Historic Preservation

MARGARITA LÓPEZ
COUNCIL MEMBER, SECOND DISTRICT

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237 FIRST AVENUE, ROOM 405
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October 26, 2005

John E. Potter
Postmaster General
United States Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260-0010

Arthur E. Strange
National Manager, Real Estate
United States Postal Service
4301 Wilson Boulevard, Suite 300
Arlington, VA 22203-1861

**Re: Sale of Development Rights at Cooper, Times Square, and other stations, and
Section 106 Review**

Dear Mr. Potter and Mr. Strange:

I write this letter in support of the letter of October 7 to both of you sent by Andrew Berman, Executive Director of the Greenwich Village Society for Historic Preservation.

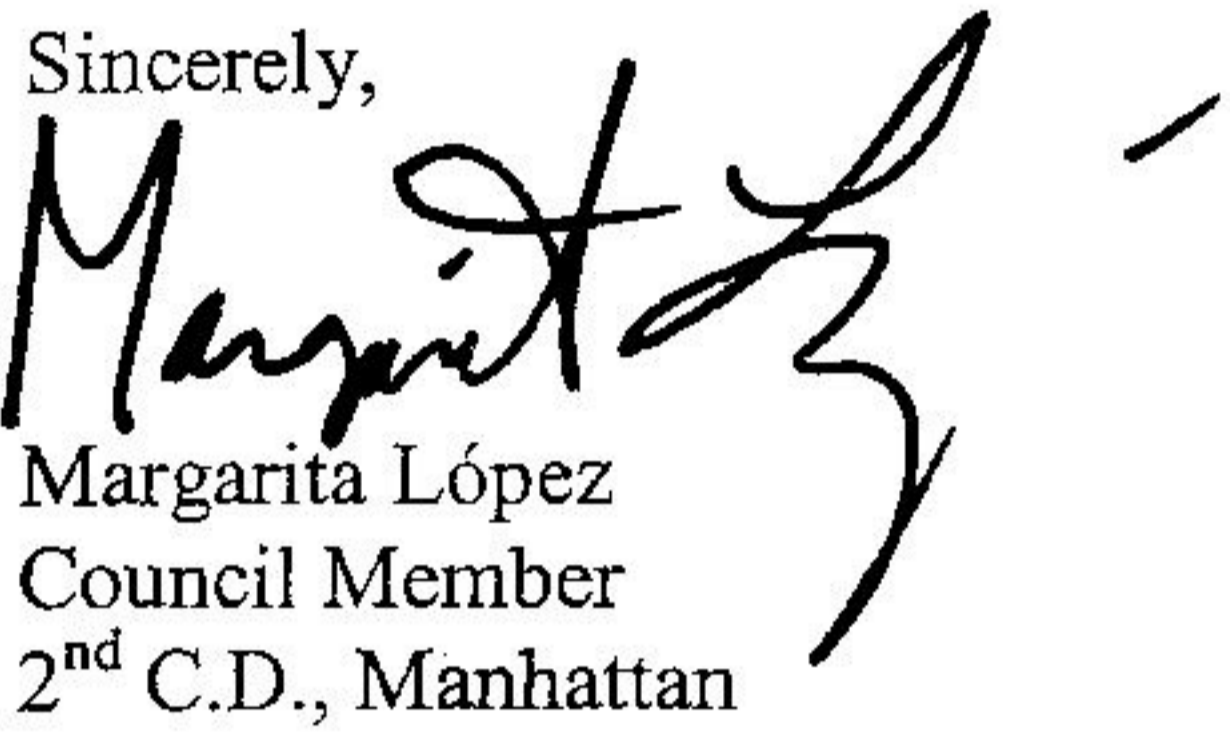
It is a positive step forward that USPS has acknowledged that it does have Section 106 review obligations when contemplating the sale of its development rights, as the Greenwich Village Society for Historic Preservation has contended. It is also a positive development that USPS has specifically acknowledged that it also has ongoing Section 106 review obligations regarding the sale of its air rights at Cooper Station, and that an opportunity to undertake such a review is presented by its review of the purchaser's plans for physical connection of a new development to the roof of the Cooper Station building. I hereby request that the Greenwich Village Society for Historic Preservation be given consulting party status for the Section 106 review, and urge that you consider other entities and organizations representing neighbors of the site and the surrounding community for consulting party status as well, such as Community Board #3, Manhattan.

As Section 106 review commences I urge that USPS condition physical connection to the roof of the Cooper Station Post Office by the neighboring development upon the maximal avoidance or

mitigation of any negative impacts upon historic resources by the development. I would also strongly urge that if possible, an eye be kept toward impact avoidance and mitigation issues which would have been examined and addressed had Section 106 review taken place before the sale of development rights as they should have, and how if at all any of those issues can be addressed now (for instance regarding the preservation of St. Ann's Church – a significant and structurally sound portion of which has not yet been demolished and remains on the development site – which a Section 106 review would have likely found eligible for listing on the State and National Register). I would also strongly urge a review of the visual impact of the height, overall bulk, and design of the new building, which incorporates the USPS development rights, upon the National Register-listed Copper Station Post Office.

Please do not hesitate to contact my office with any questions on this matter. Thank you.

Sincerely,



Margarita López
Council Member
2nd C.D., Manhattan

cc: Advisory Council on Historic Preservation
New York State Historic Preservation Office



THE CITY OF NEW YORK
MANHATTAN COMMUNITY BOARD NO. 3
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David McWater, Board Chair
Manager

Susan Stetzer, District

October 9, 2005

John E. Potter
Postmaster General
United States Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260-0010

Arthur E. Strange
National Manager, Real Estate
United States Postal Service
4301 Wilson Boulevard, Suite 300
Arlington, VA 22203-1861

Re: Sale of Development Rights at Cooper, Times Square, and other stations, and Section 106 Review

Dear Messrs. Potter and Strange,

This responds to letters of August 12 and July 20 to Don Klima of the Advisory Council on Historic Preservation.

It is a positive step forward that USPS has acknowledged that it does have Section 106 review obligations when contemplating the sale of its development rights, as the Greenwich Village Society for Historic Preservation has contended. It is also a positive development that USPS has specifically acknowledged that it also has ongoing Section 106 review obligations regarding the sale of its air rights at Cooper Station, and that an opportunity to undertake such a review is presented by its review of the purchaser's plans for physical connection of a new development to the roof of the Cooper Station building. Community Board 3 hereby request that the Greenwich Village Society for Historic Preservation be given consulting party status for the Section 106 review, and urge that you consider other entities and organizations representing neighbors of the site and the surrounding community for consulting party status as well. Community Board #3, Manhattan, as the city agency for representing and advocating for the community, should also be given consulting party status.

As Section 106 review commences, Community Board 3 urges that USPS condition physical connection to the roof of the Cooper Station Post Office by the neighboring development upon the maximal avoidance or mitigation of any negative impacts upon historic resources by the development. The Board would also strongly urge that if possible, an eye be kept toward impact avoidance and mitigation issues which would have been examined and addressed had Section 106 review taken place before the sale of development rights as they should have, and how if at all any of those issues can be addressed now (for instance regarding the preservation of St. Ann's Church - a significant and structurally sound portion of which has not yet been demolished and remains on the development site - which a Section 106 review would have likely found eligible for listing on the State and National Register). The Board also strongly urges a review of the visual impact of the height, overall bulk, and design of the new building, which incorporates the USPS development rights, upon the National Register-listed Copper Station Post Office.

It is very unfortunate that USPS's acknowledgement of its Section 106 responsibilities came so late in the process for the Times Square sale of development rights that the development there is nearly complete. Nevertheless, we would urge USPS to consult with other local affected parties to see if there are ways that perhaps USPS could positively impact nearby historic resources to counterbalance the unmitigated negative impacts created by its sale of development rights to the neighboring development. In this case we would also strongly urge consultation with groups representing the surrounding community, including Community Board #4, Manhattan.

In spite of USPS's admission of Section 106 review obligations for the sale of its development rights, it is also critical that the issue of how and when USPS undertakes such reviews in the future be resolved right away. This is especially true given that at least two other projects are currently underway in Manhattan involving the sale of development rights from USPS properties, at the Madison Square and Canal Street Stations (which are National Register-listed properties), and additional future sales seem likely. The Greenwich Village Society for Historic Preservation would strongly recommend the following procedures be implemented in relation to Section 106 review of sale of USPS development rights:

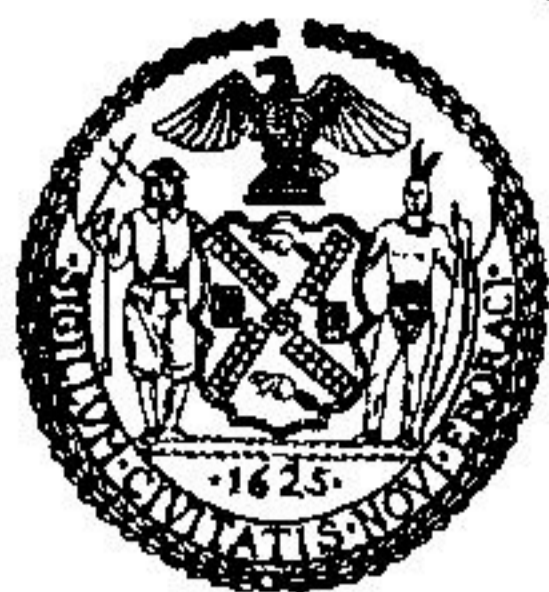
- Section 106 review take place **before** development rights are sold, and all potential buyers of USPS development rights be made aware in advance that any sale will have to go through such a review, and that sale will be contingent upon agreement to satisfy the review's findings and recommendations regarding mitigation or avoidance of impact upon historic resources.
- Potential buyers of USPS development rights be required to disclose exactly how the development rights will be used, and the sale of development rights be made contingent upon an agreement to use those development rights only as reviewed in the Section 106 review process.
- Use of development rights in such a way as to diminish the stature or public view of a National Register-listed or eligible property - whether owned by USPS or privately owned on a nearby lot - should be considered a negative impact to be avoided or mitigated.
- Use of development rights in such a way that would contribute to or increase the degree of destruction of a National Register-listed or eligible property should be considered a negative impact to be avoided or mitigated.
- All sales of USPS development rights should include guarantees that the development rights which have been "sold" and utilized on another site cannot be used again by USPS at some point in the future, in whole or in part, on the USPS site by virtue of USPS's immunity from local zoning regulations.

We hope that USPS will commence Section 106 review of the Cooper Station project and of any other projects underway as soon as possible, and consult with affected local parties regarding the review. We also hope that USPS will implement procedures regarding Section 106 review for the sale of development rights in the future that reflect at least the above-listed recommendations, and that USPS solicit and consider feedback from a variety of sources regarding structuring its future Section 106 reviews for development rights sales in New York City. We look forward to working with you on this issue and hearing back from you about your plans.

Sincerely,

David McWater
Board Chair

Cc: Andrew Berman, GVSHP



CITY OF NEW YORK

MANHATTAN COMMUNITY BOARD No. 4

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J. LEE COMPTON
Chair

MICHELLE SOLOMON
Acting District Manager

March 1, 2006

John E. Potter
Postmaster General
United States Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260-0010

Arthur E. Strange
National Manager, Real Estate
United States Postal Service
4301 Wilson Boulevard, Suite 300
Arlington, VA 22203-1861

Ruth Pierpont
Director, NY State Office of Parks, Recreation, and Historic Preservation
Peebles Island, P.O. Box 189
Waterford, NY 12188

Don Klima
Director, Advisory Council on Historic Preservation
1100 Pennsylvania Avenue NW, Suite 809
Washington, D.C. 20004

Re: Sale of Development Rights and Section 106 Review

Dear Messrs. Potter, Strange, and Klima, and Ms. Pierpont

Manhattan Community Board No. 4 has been deeply concerned for some time about the impact on the McGraw Hill Building, a National Historic Landmark, of the construction that has taken place directly to the west at 350 West 42nd St. This construction has resulted in the obstruction of the view from the west of this iconic building. Indeed the building owed much of its historic impact to its isolated height in an environment of low structures. This effect has now been all but destroyed.

We would therefore like to express our extreme concern that USPS sold a considerable amount of development rights from its Times Square Station of the Postal Service to the owner of this development without subjecting them to the review required by Section 106 of the National Historic Preservation Act. The station separates the development site from the McGraw Hill building, and it was this sale that made possible a significant increase in the height of this

development. Compliance with the local zoning ordinance under which these rights were sold made the rights available through a process known as "zoning lot merger" of the Times Square Station site with the development site. This merger made the rights usable only for the purpose of enabling construction of a higher building on the site at 350 West 42nd Street; and therefore any reasonable person involved in the transaction must have been able to foresee that there would be a significant impact on the view of the adjacent McGraw Hill Building, which is a well-known landmark of New York City. In fact this action enabled the new development to obstruct almost completely the public view of the landmark from the west. This constitutes a direct impact on historic resources from the sale of the development rights, which in conformance with the provisions of Section 106 should have been reviewed and possibly could have been avoided or mitigated.

Unfortunately the Board became aware only belatedly that the height of this development was partially due to the sale of development rights from the Times Square Station. The Board has since reviewed the location and surroundings of the postal stations owned by the Service within our district. While at the present time we see no situation that would lead to a similar situation within the district because of the restrictions of current zoning and the absence of designated historic resources in the immediate neighborhood of most of these stations, we recognize that situations may change. This is especially true in the case of the Morgan Station, close to a historic landmarked church and in an area where major development is projected to occur. The special case of the nearby Farley Building, transferred to a corporation that will transform it into the striking Moynihan Station for railway use, might also raise major issues if that proposal should not go through.

The Board therefore joins other Boards, elected officials, and community groups in requesting the establishment of guidelines for the sale of development rights by the Postal Service in conformance with Section 106 of the National Historic Preservation Act. The Board believes that if such guidelines had been in place and had been followed by performing appropriate review under such guidelines the impacts on the McGraw Hill Building might have been avoided. It is essential that such unfortunate consequences must not be repeated.

It is our understanding that USPS asserts that there is no clear way to subject the sale of air rights to Section 106 review, and apparently there are no set guidelines in place for this sort of transaction. As we understand that discussions are taking place between all parties regarding establishing such guidelines, we offer our support for proposed guidelines submitted by the Greenwich Village Society for Historic Preservation and supported by various elected officials and other community boards. Those proposed guidelines include:

- Section 106 review should take place before development rights are sold, and all potential buyers of USPS or other state or federal agencies' development rights should be made aware in advance that any sale will have to go through such a review, and that sale will be contingent upon agreement to satisfy the review's findings and recommendations regarding mitigation or avoidance of impact upon historic resources.
- Potential buyers of development rights be required to disclose exactly how the development rights will be used, and the sale of development rights be made contingent

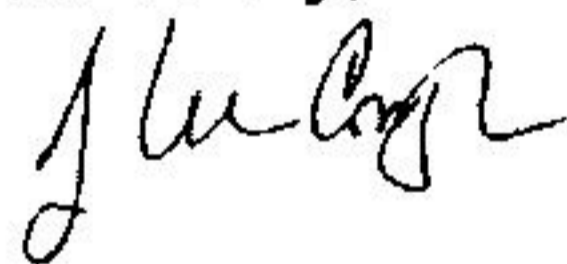
upon an agreement to use those development rights only as reviewed in the Section 106 review process.

- Use of development rights in such a way as to diminish the stature or public view of a National Register-listed or eligible property – whether owned by USPS or privately owned on a nearby lot – should be considered a negative impact to be avoided or mitigated.
- Use of development rights in such a way that would contribute to or increase the degree of destruction of a National Register-listed or eligible property should be considered a negative impact to be avoided or mitigated.
- After the sale of development rights from a state or federal site, the State or Federal agency must forego its right to override local zoning, so that future development on that site is consistent with local zoning and uses only the development rights that remain after the sale.

Additionally, Manhattan Community Board No. 4 should to be granted consulting party status for any Section 106 review that takes place within its boundaries.

It is very unfortunate that USPS has already sold its development rights for the Times Square Station and they have already been used. Nevertheless, we would urge all parties to consult with local affected parties to see if there are ways that perhaps USPS could positively impact nearby historic resources to counterbalance the unmitigated negative impacts created by its sale of development rights to the neighboring development. Such consultation should include this Community Board.

Sincerely,



J. Lee Compton
Chair

Manhattan Community Board No. 4



Edward S. Kirkland
Chair

Landmarks Taskforce

Cc: Elected Officials

National Trust for Historic Preservation
New York State Preservation League
Municipal Art Society
New York Landmarks Conservancy
Historic Districts Council
Greenwich Village Society for Historic Preservation
Hell's Kitchen Neighborhood Association
Manhattan Plaza Tenants Association



CITY OF NEW YORK COMMUNITY BOARD NO. 2, MANHATTAN

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Greenwich Village • Little Italy • Soho • Noho • Hudson Square

April 1, 2006

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District Manager

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2nd Vice Chair

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Robert Rinaolo
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Mark Rosenwasser
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John E. Poster, Postmaster General
United States Postal Service
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-0010

Mr. Arthur E. Strange
National Manager, Real Estate
United States Postal Service
4301 Wilson Blvd., Suite 300J
Arlington, VA 22203-1861

Ms. Katherine A. Sitterle
Gov't Relations Representative
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-0010

It has come to our attention, via New York Times articles and letter of protest issued by Community Board #3 (Manhattan-Lower East Side) and the Greenwich Village Society for Historic Preservation, that the United States Postal Service has, on at least two occasions, sold the air rights above U.S. Postal Offices located in New York City to private real estate developers, who combined these air rights with the available zoning to construct inordinately large and out of character buildings in these neighborhoods.

It is our understanding that it is incumbent upon the U.S. Postal Service to conduct an investigation and hearing under Section 106 of the National Historic Preservation Act to analyze the impact of the sale of air rights upon surrounding historic buildings as well as on the neighborhoods in which these buildings are located. We do not know of any such investigation being conducted by reason of the sale of air rights from the Cooper Square Post Office (a building on the National Register of Historic Places) nor the Times Square Station (adjacent to the landmarked, McGraw-Hill building). Apparently, two other such projects are planned, the Madison Station and the Canal Street Station., both National Register listed properties.

Since many of the Post Offices in Community Board #2, Manhattan, are in Historic Districts, this lack of mandatory review by the United States Post Office, under these circumstances, is of great concern to us. Even a post office not located within a Historic District, selling its air rights may have a negative impact on an adjacent Historic District.

We understand that the Historic District Council and the Greenwich Village Society for Historical Preservation have volunteered to assist and participate in the Section 106 review and Community Board #2, Manhattan hereby volunteers its resources, as well as specifically requests that it be notified and included in any Section 106 review relative to the sale of post office air rights located within Community Board #2, Manhattan.

Please contact me if you require further information.

Thank you for anticipated co-operation.

Very truly yours,




Maria Passannante Derr, Esq.
Chair Community Board #2




Doris Diether,
Chair, Landmarks Committee

MSD/mh

Cc: Melissa Baldock, Director
Greenwich Village Society for Historical Preservation



HISTORIC DISTRICTS COUNCIL



THE ADVOCATE FOR NEW YORK CITY'S HISTORIC NEIGHBORHOODS

232 East 11th Street New York NY 10003
tel 212-614-9107 fax 212-614-9127 e-mail hdc@hdc.org

October 26, 2005

John E. Potter
Postmaster General
United States Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260-0010

Arthur E. Strange
National Manager, Real Estate
United States Postal Service
4301 Wilson Boulevard, Suite 300
Arlington, VA 22203-1861

Dear Mr. Potter and Mr. Strange:

The Historic Districts Council is the citywide advocate for New York's historic districts and neighborhoods meriting preservation. We are writing you regarding the recent developments surrounding the transfer of development rights from the United States Postal Services Cooper Station. HDC was pleased to learn that the United States Postal Service recently acknowledged that it has Section 106 requirements when dealing with the sale of its development rights on National Register buildings. The stewardship of publicly-owned historic buildings has been a longtime concern of HDC and we applaud the USPS for this, and we request that USPS seriously regard this responsibility and work under the guidance of the Advisory Council on Historic Preservation as well as the State Historic Preservation Office to ensure that such a review is carried out properly. Additionally, as a city-wide preservation agency we would like to request that you consider giving the Historic Districts Council consulting party status on these matters.

We strongly urge USPS adopt an appropriate protocol in dealing with Section 106, one that includes but is not limited to the following guidelines:

- Section 106 review must take place prior to selling the development rights.
- Potential buyers must be informed of the Section 106 review and must be required to make known exactly how these development rights will be used.
- The buyers may only use these development rights as reviewed in the Section 106 Process.



- Buildings on the National Register, or ones that are eligible for the National Register must not be negatively impacted by such transfers (including buildings both owned by USPS and privately owned buildings on nearby lots).
- Once development rights have been sold and used, USPS cannot again use these rights.

HDC is particularly concerned about the current transfer of development rights taking place at the Cooper Station site, and we strongly urge USPS to now consider impact avoidance and mitigation issues, which should have been addressed through Section 106 review prior to the sale of development rights. We ask that USPS investigate how these issues can now be addressed in regard to the portion of St. Ann's Church that remains. In particular, we request that the design of the new building does not negatively impact this remaining portion of a highly significant historic resource.

It is unfortunate, that in the case of Cooper Station, the Section 106 process was not properly followed, resulting in the loss of a significant portion of St. Ann's Church. We hope that USPS will learn from this mistake, and adopt a policy for following Section 106 review in the future that is more appropriate, one that consults with community members and interested parties and does not result in the destruction of historic resources.

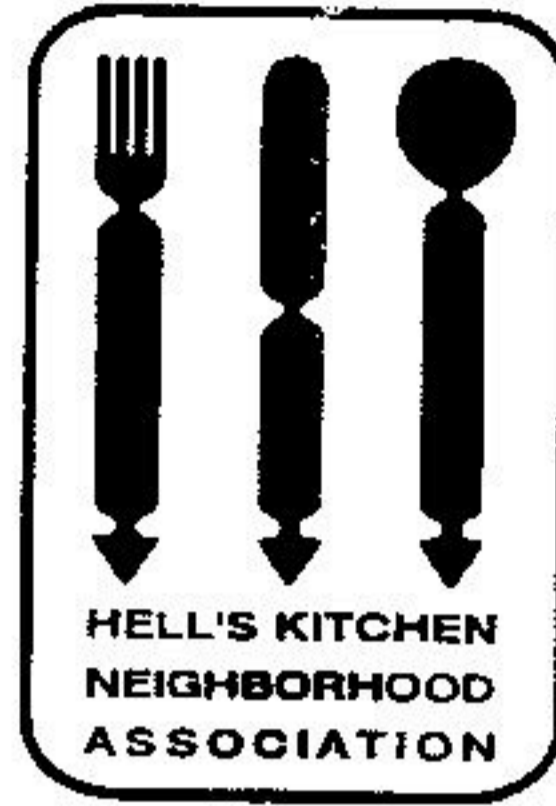
Thank you for your attention.

Sincerely,



Simeon Bankoff
Executive Director

Cc: Advisory Council on Historic Preservation
New York State Historic Preservation Office
National Trust for Historic Preservation
Greenwich Village Society For Historic Preservation



August 4, 2005

Don L. Klima
Director, Office of Federal Agency Programs
Advisory Council on Historic Preservation (ACHP)
1100 Pennsylvania Avenue NW, Suite 9-0
Washington, DC 20004

Re: Greenwich Village Society for Historic Preservation Letter 6/25/05, Andrew Berman
Lack of Section 106 Review for sale of development rights by U.S. Postal Service
from Times Square Station in Manhattan, New York

Dear Mr. Klima:

We write to reinforce Mr. Andrew Berman's letter about the U.S. Postal Service selling development rights without proper review of the impact of blocking our communities' view of the McGraw Hill Building, a **National** Historic Landmark.

The citizens of New York whom the Hell's Kitchen Neighborhood Association serves are greatly distressed at losing our "beacon". Being the first tower of its kind, the McGraw Hill building is unique, and watching it disappear behind a pile of concrete is sickening. Please review this project immediately and inform us of appropriate action.

We want to stop this construction project now before it completely obliterates this landmark from view.

I look forward to your prompt response.

Sincerely,

Kathleen Treat, Chair