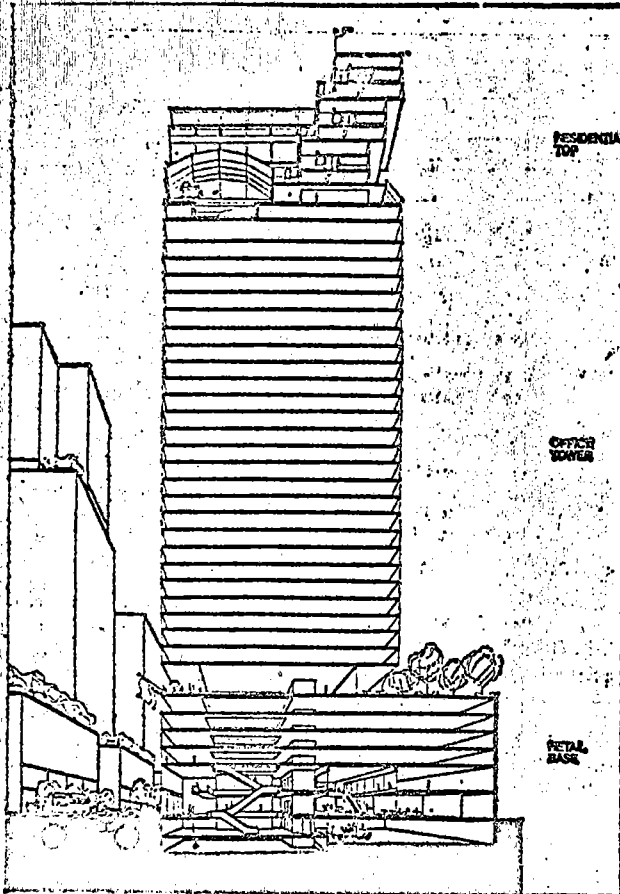


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PROPOSED FOR FIFTH AVENUE: Triple-purpose tower would have retail stores on lower levels, offices on middle floors and apartments at the top. Proposal's purpose is to preserve the avenue's prestige retail character.

Business Group Planning Improvements in Midtown

A Plan to 'Save' 5th Ave.

By MICHAEL STERN

Mayor Lindsay announced yesterday a zoning proposal designed to preserve the prestige retail character of Fifth Avenue, now threatened by competing uses, rising rents and soaring land values.

If adopted by the City Planning Commission and the Board of Estimate, the proposal would return housing to the midtown section of the avenue and initiate the building of as many as 25 tall, triple-purpose towers flanked by sidestreet arcades and combining stores, offices and apartments.

Under the proposal, the section of the avenue from 38th to 59th Street would be designated a special retail district, and at least the two lower floors of all new buildings erected in the district would have to be rented to retail tenants.

Builders who elected to provide more than the minimum retail space would be given a bonus in the form of permission to erect a larger structure, with the extra floors to be

5th Ave. Zoning Plan Calls for Stores and Housing

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used for apartments or hotel accommodations.

The city's Office of Midtown Planning and Development, which drafted the proposal for Mayor Lindsay, said its studies showed that the first such project would be on the site of the former Best & Co. store at 51st Street, just north of St. Patrick's Cathedral.

Arthur G. Cohen, president of the Arlen Realty and Development Corporation, which owns the site jointly with Victory Carriers, an Onassis family trust, was seated at Mayor Lindsay's side in City Hall when the Mayor announced the zoning proposal.

Mr. Cohen warmly endorsed the proposal and said he would take advantage of the bonus electives to erect a 45-story building with as much as 150,000 square feet of retail space on the lower floors, offices in the middle floors and apartments on the topmost floors. Running behind the tower from 51st to 52d Street would be a two-story arcade for shops, cafes and services.

'Dazzling' Potential Noted

Explaining the city's concern for the future of Fifth Avenue, the Mayor described it as "a street of exciting stores and important events, of dazzling window displays and colorful parades . . . rich in ceremony and tradition."

He noted, however, that office buildings were being planned on the sites of three former landmark stores: Best's, DePinna's, on the southwest corner of 52d Street, and Georg Jensen's, on the southeast corner of 53d Street.

In addition banks, travel and airline agencies and corporate showrooms have been increasing their share of Fifth Avenue frontage, leaving retailers, who cannot pay the high rents these other tenants can afford, with only slightly more than 50 per cent of the frontage from 34th to 59th Street.

"Without some form of public intervention," Mr. Lindsay said, "Fifth Avenue could be transformed from an international boulevard into a street lined with anonymous office buildings."

Under present zoning regula-

tions for the area from 38th to 59th Street, a builder may erect a structure equal in floor space to 15 times the size of his plot. Since many existing structures on the avenue are only four or five stories high, they are not taking full advantage of their earning potential and therefore are prime targets of assemblers of office building sites.

The Midtown Planning Office said that several such sites already had been assembled and that a total of 25 or more sites were considered "soft" enough to be candidates for redevelopment.

In addition, rising land values, spurred by the boom in midtown office building, present some retailers with the possibility of making a greater profit by selling their land to a builder than they could by carrying on their business on the avenue. This was the reason Best & Co. gave when it sold its lease on the 51st Street building to the Arlen and Onassis interests.

The zoning proposal would substantially change the economic variables a builder would have to consider in designing a new structure and hopefully would encourage him to design the kind of multiple-use building the Midtown Planning Office and the Mayor believe would enhance the attractiveness of the Fifth Avenue shopping district.

Retail Space Guaranteed

Jacquelin T. Robertson, director of the office, said the shape of new buildings also would be determined by variations in the demand for office, store and housing space. Even if no builder decided to take advantage of the bonus electives, he said, the proposal would ensure that at least two floors of every new building would be used for retail space.

And as a further protection for retailing, no more than 15 per cent of ground-floor space could be rented to a bank or travel or ticket office.

The study that led to the proposal was prompted by a plea for help from members of the Fifth Avenue Association, the group representing the principal merchants, owners and tenants on the avenue.

They pointed out that the

high-fashion and luxury shops on the avenue, along with the city's theaters and cultural institutions, were the prime attractions that drew millions of dollars of tourist business to New York each year.

Alluding to the special theater zoning district that was created in the Times Square area to encourage the building of legitimate theaters, association members appealed for a similar device to encourage retailing on Fifth Avenue.

Backed by Association

Michael B. Grosso, executive director of the Fifth Avenue Association, joined the Mayor at the news conference at which the proposal was announced. Mr. Grosso said he thought it would be "very good" for Fifth Avenue and would help merchants maintain and increase their space on the thoroughfare.

The proposal also was endorsed by Donald H. Elliott, chairman of the City Planning Commission, and by the Real Estate Board, although the special counsel to the board, Samuel Lindenbaum, said it would seek some amendments make the provisions more flexible.

The Planning Commission will hold hearings on the proposal on March 3 and then send it to the Board of Estimate for enactment. One member of the Estimate Board, Borough President Percy E. Sutton of Manhattan, said through a spokesman that he was angered by the failure of the Midtown Planning Office to consult him as it drafted the proposal.

The spokesman said Mr. Sutton was given a briefing on the proposal Monday night, on the eve of the announcement, but had received no opportunity to study it. Mrs. Carol Greitzer, the Councilman whose district includes the Fifth Avenue shopping district, also complained that she had not been consulted about the proposal.

Mr. Robertson said the bonus electives written into the proposal were designed to give builders an incentive to provide the amenities the city needed without giving them a windfall profit. Under the proposed formula, for every square foot of retail space above the required minimum that a builder provides, he may

add four square feet of residential space.

The bonus for residential space rather than office space was chosen, Mr. Robertson said, because the city wants to encourage people to live in the heart of the city and to provide round-the-clock activity on streets that ordinarily are dead at night. Another reason was the shortage of apartments, even for those who can afford luxury rents.

The formula provides that no bonus give a builder more than 20 per cent more space than he would have received under the present zoning regulations. However, a builder who elected to provide even more retail or residential space would be permitted to cover more of his site and thus build a shorter, wider building at lower cost than a slimmer, higher one.

Bonuses also would be allowed to builders who provided off-avenue arcades, shopping malls and portes-cocheres at the rear of their sites. These arcades would provide access to the office and residential parts of the new towers, since no new building may have its entrance on the avenue.

The proposal provides that builders may not put plazas on the avenue side of their towers, to make sure that an unbroken front of stores lines the avenue.

Mr. Cohen, developer of the Best's site, said he had had discussions with several prominent retailers, including the I. Magnin stores, but that as yet no retailer had given him a firm commitment to rent space in the new building. He said he hoped to attract a major store and was reasonably confident that he would be able to do so.