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**Michael P. Smith**  
President

October 20, 2011

Hon. Amanda M. Burden  
Chair, NYC Planning Commission  
22 Reade Street  
New York, New York 10007

Dear Chair Burden:

We are writing this letter to express the concerns of the New York Bankers Association (NYBA) about the Department of City Planning's proposed ground-floor use controls for Columbus Avenue, Amsterdam Avenue and Broadway on the Upper West Side. We appreciate the Planning Commission's desire to respond to concerns raised by neighborhood residents and government officials regarding the changing nature of retail stores in the area and the potential for "negative changes in neighborhood character." However, we believe that the proposed use controls will not achieve their intended goals, and, in fact, may create strong disincentives for businesses to continue to invest in and serve this neighborhood. This is particularly true for the banking industry which, under the current plan, will face even more use restrictions than other types of retail establishments. NYBA is comprised of the community, regional and money center commercial banks and thrift institutions doing business in New York State. In aggregate, members of the Association employ approximately 200,000 New Yorkers and hold more than \$9 trillion in assets.

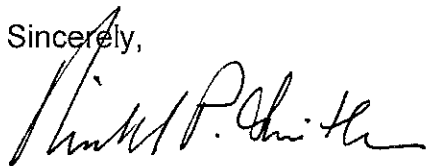
It is our understanding that the Commission's proposal would limit bank frontage to a street wall width of 25 feet. (All other types of businesses would have a 40-foot restriction). This limitation is not only inconsistent with the rules governing other business establishments, but could discourage banks from branching in this neighborhood because of potential security and Americans with Disability Act challenges, as well as because of potential inconsistencies between these use restrictions and the business plans of a financial institution. The restrictions, therefore, would seem to be counterproductive to the goals of the Commission, as local banks not only provide convenient banking services to neighborhood residents, but also provide the funding for local residential and commercial loans. Moreover, banking institutions are great supporters of the civic activities of the neighborhoods in which they have branches. It is important to remember, too, that if there were not local demand for these branches, they would not exist; establishing unnecessary impediments for their creation and growth can therefore only hurt the neighborhood residents this proposal is designed to help.

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It is important to point out that these restrictions would, in total, significantly interfere with the business of banking, and therefore, pursuant to the terms of the National Bank Act, be inapplicable to federally chartered banking institutions. Moreover, the frontage limitations like the ones in this proposal, when employed in the past, have been shown to be counterproductive (see attached April 15, 1990 article from the *New York Times*). In sum, we believe that this proposal will discourage retail and banking activity, have a negative impact on the neighborhood's vitality, and deprive the City of much needed jobs and tax revenue.

For these reasons, we urge you not to move this proposal forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael P. Smith". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

Michael P. Smith

The New York Times

## Archives

## A New Cachet for Old East 86th Street

By SHAWN G. KENNEDY  
Published: April 15, 1990

IN the two long blocks of East 86th Street between Lexington and Second Avenues, 11 storefronts stand empty. The windows of Tempo, a small discount jewelry and gift store on the north side of the street at No. 163 near Third Avenue, are papered with notices telling customers the lease has been lost.

A few doors away at No. 169 customers mill about Savemart, a discount electronics equipment store that also will soon shut its doors. And near the entrance to the Lexington Avenue subway station some of the neighborhood's most active merchants peddle flowers, old magazines, music tapes and clothing from card tables and grocery carts set up on the sidewalk.

But the tacky, down-at-the-heels appearance of this major commercial corridor is deceptive. After years of decline, East 86th Street is poised for a turnaround. Many in the community see a more stable and upscale retail future for this shopping strip that serves Yorkville to the south and east as well as Carnegie Hill to the north.

One catalyst for change is a set of revised zoning rules designed to draw a new generation of retailers. Another is a trio of new residential projects, in various stages of development, which are expected to bring more than 850 affluent families to the neighborhood within the next two years.

Two years ago, the Colorado, a luxury-level rental building on the northeast corner of 86th Street and Third Avenue, opened for occupancy with 256 units and a multilevel Woolworth store. The Park East Condominium, which opened three years ago at 233 East 86th Street brought 56 apartments to the north side of the street as well as Laytner's Linen and La Carezza, a women's clothing store with an espresso bar.

"If you take our projects with others nearby," said William Lie Zeckendorf, a vice president in the Zeckendorf Company, the real estate development concern responsible for two of the new residential projects, "and combine the value of the new residential development, the upgrading of the movie theaters and the new stores, you will see that a huge infusion of capital is being put into 86th Street now. We believe it represents about \$500 million." Signs of a metamorphosis already are evident. The sounds of circular saws and hammering drift through a wooden construction fence that covers the entrance to 163 East 86th Street, the space where Crazy Eddie's discount audio equipment store once operated. In that space, the Canadian Fur Trappers Company is building a new store.

Across the street, on the south side, red, white and blue bunting and a "GRAND OPENING" sign drape the entrance to a new Mandee shop. The national chain of clothing stores for young women opened its first shop in Manhattan last month.

Among the other businesses that will open on 86th Street or in the blocks directly north and south on Lexington and Third Avenues, are Curtains and Home, a national chain that carries curtains, linen and bedding; a branch of HMV Records, a record, tape and compact disk purveyor based in London and opening its first United States store, and Manufacturers Hanover Trust Company, which is nearing completion of a new 5,000-square-foot branch on the northeast corner of 86th and Lexington. The bank is relocating the branch now at Third Avenue and 85th Street.

TO some in the community, the opening of the Gimbels East department store in 1972 on the northwest corner of 86th and Lexington was the death knell for nearby neighborhood merchants. Until then, most of 86th Street was a stable retail corridor of small shops and family-style restaurants, many owned by and catering to residents of German, Hungarian and Czech descent.

From the turn of the century until after World War II, Yorkville was among the largest German-American communities in the country and 86th Street was its main street. German beer halls, bookstores, cafes, restaurants and movies playing German-language films dominated the throughfare.

Residential and commercial developers came in on the heels of the demolition of the Third Avenue structure in 1956.

But a close look at East 86th Street today reveals little of the Yorkville of old. The Geiger Cafe and Kleine Konditorei, German-style restaurants on the south side of the street between Second and Third Avenues, still serve up dishes like Koenigsberger klopse and sauerbraten. In the same block, the Elk Candy Company, a tiny shop specializing in European-style sweets and now featuring marzipan eggs and chocolate chicks and bunnies, is jammed from the time local schools let out until closing.

In the 14 years Gimbels East was in operation it was never a welcome neighborhood fixture or a thriving retail venture. The entire chain went under three years ago, but while it was in business its management tried to make Gimbels East work as a fashionable upscale store as well as a discount operation. Both marketing strategies failed.

Even before it opened, community residents felt the big black and white department store, which stood just yards from the brick and limestone apartment houses of Park Avenue, was a threat to neighborhood merchants.

Most of the shops along 86th Street were in one-story taxpayers or three- and four-story tenements - just the sort of properties that appeal most to developers looking for assemblages.

Opposite the site, Norman Segal expects to put up a 28-story residential tower on the southeast corner of 87th Street and Third Avenue. The building, which will hold 156 studios and one- and two-bedroom apartments, will have a two-story base with 28,000 square feet of retail space.

Mr. Segal, who built the Colorado on the 86th Street end of the block, will lease about 30,000 square feet in the 87th Street building to the Dalton School for its gymnasium.

The demolition of the two- and three-story buildings that occupied the site has been completed but Mr. Segal said that the date for the start of construction has not been set.

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