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## Out With the Old Building, in With the New for JPMorgan Chase



In front of the JPMorgan Chase headquarters tower in Manhattan on Tuesday. Amr Alfiky for The New York Times

By [CHARLES V. BAGLI](#)

The future of Midtown is starting to arrive.

JPMorgan Chase is expected to announce Wednesday that it will demolish its headquarters on Park Avenue between 47th and 48th Streets and build a new 70-story world headquarters on the site for its 15,000 employees.

The building would be the first skyscraper to go up under new zoning rules for the area surrounding Grand Central Terminal, which were designed to encourage the development of taller, more modern skyscrapers and ensure that Midtown remains one of the city's premier business districts.

The new tower will soar as much as 500 feet higher than the existing 52-story headquarters on the west side of Park Avenue and contain an additional one million square feet of office space.

Chase is expected to buy unused development rights from nearby buildings, generating more than \$40 million for public improvements to the streets, pedestrian plazas and sidewalks in the neighborhood under the new zoning plan.

“With a new headquarters at 270 Park Ave.,” the bank’s chairman and chief executive, Jamie Dimon, said in a statement, “we are recommitting ourselves to New York City while also ensuring that we operate in a highly efficient and world-class environment for the 21st century.”

Chase is expected to begin demolition of the building at 270 Park early next year, with the new tower set to open five years later. Chase has been quietly negotiating leases at nearby buildings — 237, 245 and 277 Park Avenue, as well as 390 Madison Avenue — for workers in the existing building, according to an executive who has been briefed on the bank’s plan but was not authorized to discuss it publicly.

“This is our plan for East Midtown in action,” Mayor Bill de Blasio said Tuesday evening. “Good jobs, modern buildings and concrete improvements that will make East Midtown stronger for the tens of thousands of New Yorkers who work there.”

Chase, one of the city’s largest private employers, has long been unhappy with its aging headquarters, at 270 Park Avenue. Built in 1961, it originally was home to Union Carbide. The bank currently has about 6,000 employees crammed into the 52-story tower, which was built for 3,500.

Chase has renovated the 57-year-old tower several times to make it more accommodating.

Four years ago, it went further, exploring construction of a [two-towered \\$6.5 billion headquarters](#) on the Far West Side of Manhattan. But a potential deal unraveled, partly because the city rebuffed a request to provide roughly \$1 billion in tax breaks and cash, on top of the \$600 million in property tax breaks the bank already receives.

In the meantime, the de Blasio administration spent three years negotiating over new zoning for what was called Midtown East with real estate interests, community groups and churches and other institutions in the Grand Central area that have unused development rights.

Developers and corporations argued that the old zoning in the densely built neighborhood hobbled their ability to build modern, space-efficient towers. Elected officials, community groups and the city wanted to ensure that improvements were made to the area’s transit system and streetscape if any new towers got built.

Under the terms of the rezoning, public projects across East Midtown would be funded by a minimum contribution from developers of \$61.49 per square foot or 20 percent of the price of air rights or unused development rights. Chase plans to buy as much as one million square feet of air rights from other property owners in the district.

Under a separate rezoning done earlier, the developer SL Green is building a massive tower [known as 1 Vanderbilt](#), next to Grand Central, in exchange for \$220 million in improvements to subway corridors and platforms.

Yet, when the city adopted the East Midtown rezoning last August, some real estate executives were skeptical that the zoning would lead to new construction anytime soon, because so much of the area is already densely built. But if JP Morgan could not build on Manhattan’s West Side without subsidies, one bank executives said,

the new zoning, as well as the fact that Chase already owned the Park Avenue land, made the new project possible.

The bank first contacted Deputy Mayor Alicia Glen in early December, and the plans moved quickly.

“This is incredibly exciting and a ringing endorsement of three years of intense work we went through to get the right framework,” Ms. Glen said, “to get one of the largest financial services companies to make an enormous investment.”