

GRAND CENTRAL PARTNERSHIP

ANNUAL REPORT



Founded in 1985, the Grand Central Partnership, Inc. [GCP] manages one of the world's largest Business Improvement Districts [BIDs] on behalf of the Grand Central District Management Association.

A nonprofit organization, GCP is now in its fourth decade of delivering supplemental public safety, sanitation, capital improvements, maintenance, horticultural displays, public space management, business support, and visitor services to a district encompassing approximately 70 city blocks in Midtown East. With the Beaux-Arts masterpiece Grand Central Terminal as its geographic anchor, the neighborhood offers the very best of New York City: it is a bustling center of commercial activity by day and a destination for fun and culture by night.

Financed by special assessments on the area's roughly 76 million square feet of built space, the BID operations are provided under a renewable contract with the City of New York.

Front cover and opposite:
Photograph by James Carlson,
IG: @718mango



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WELCOME

As we reflect on 2021, we take stock of the continued challenges our district faces as a result of the ongoing COVID-19 pandemic. Despite these challenges, 2021 was a year of substantial recovery for Midtown East. Over the course of the year, we tracked upward trends in pedestrian and retail business activity, resumed in-person, outdoor programming, including our popular Summer Solstice Music Festival, and launched a new concert series called Pershing Square Sounds. We also raised close to \$50,000 to transform Grand Gourmet into a series of gift certificate giveaways that channeled funds directly to our hard-hit food and beverage sector and brought customers into our neighborhood.

The future of Midtown East continued to take shape this year as several major development and public realm projects moved forward, proving continued confidence in Midtown East as the world's central business district. Additionally, at the end of the year, the City committed to hiring a landscape architect to reimagine the Park Avenue Malls. This commitment is a huge step forward for Park Avenue, and it wouldn't have happened without our passionate advocacy and collaboration with our Park Avenue stakeholders, the East Midtown Public Realm Improvement Fund Governing Group, our local elected and

community officials, and our not-for-profit partners.

Recognizing the current economic challenges, as we continue to deliver critical services to the district, we have done so in as efficient a manner as possible. 2021 was our tenth year without an assessment increase.

We welcome you to follow along as we recount key programmatic and neighborhood highlights from 2021. While we are still on the road to recovery, you can trust that we are making great strides in stabilizing our present and preparing for our future. Neither could be accomplished without your support and direction. We also want to acknowledge our dedicated staff for their invaluable contributions to our organization and district.

Here's to continued good health, recovery, and renewal.

Peter S. Kalikow
Chair



Alfred C. Cerullo, III
President/CEO

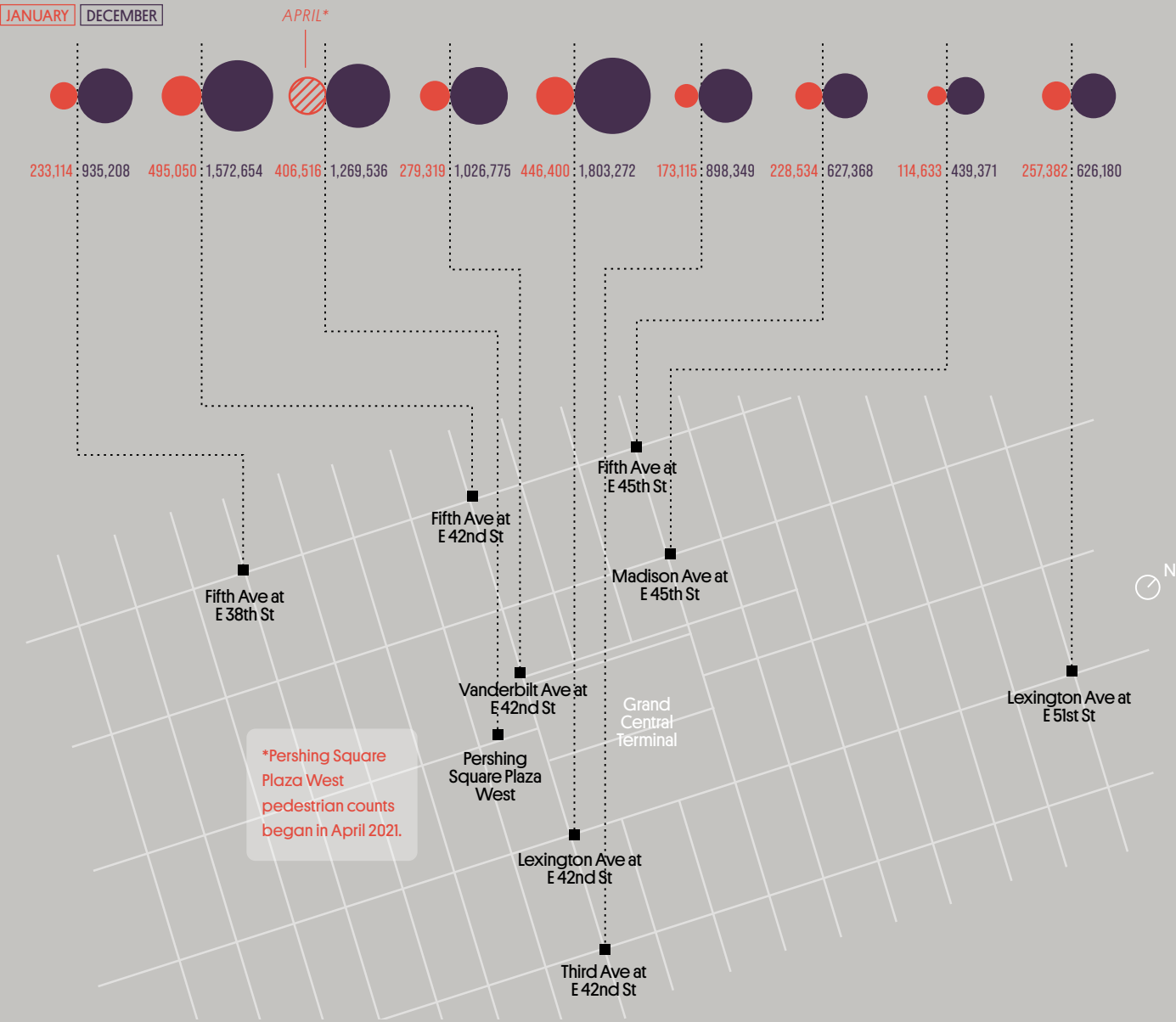


A YEAR OF RECOVERY AND BUILDING FOR THE FUTURE

Photography by
Goor Studio unless
otherwise noted

Before highlighting some of the steps our neighborhood took toward recovery in 2021, we want to acknowledge that the COVID-19 pandemic has continued to have major impacts on our community, especially on our small businesses and the food and beverage sector. However, despite the ongoing challenges, we saw many signs of recovery as we worked together with the community to continue building the future of Midtown East.

Pedestrian counts, January vs. December 2021



Pedestrian activity increased throughout the course of the year as more office workers and tourists returned to the neighborhood. In fact, aggregate pedestrian counts in December 2021 were three and a half times as high as those in January 2021. According to Springboard, the robust trend of pedestrian count recovery in Midtown East outpaced national trends. Pedestrian counts in Midtown East started the year 72% lower than 2019 levels and ended the year only 23% lower. Nationally, pedestrian counts started the year 63% lower than 2019 levels and ended the year 29% lower.

Operating vs. non-operating businesses in occupied retail spaces

Beyond Spa

Brickworks

*The Central at 5th
by Hilton Club*

Company Culture

Épicerie Boulud

The Hugh

*Hyatt Centric
Midtown 5th
Avenue New York*

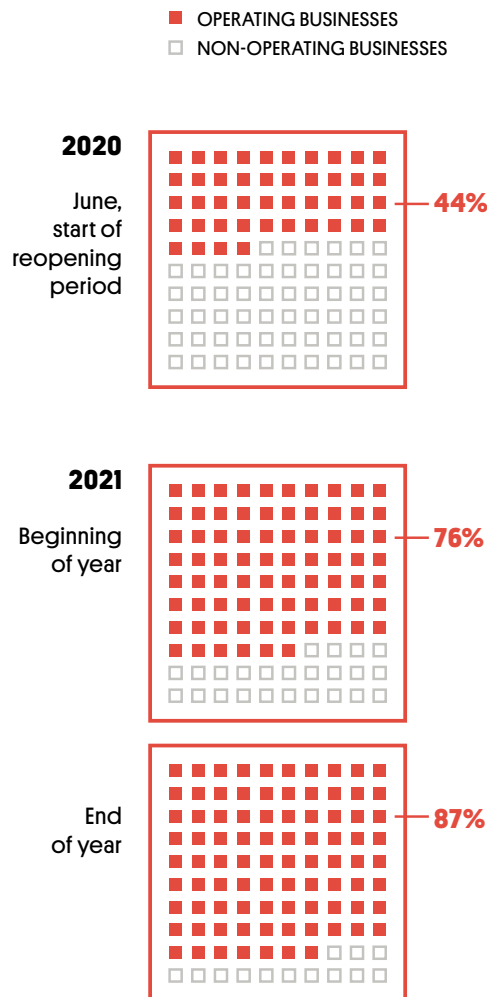
Le Pavillon

The Little Beet

*Sky Terrace at The
Langham, New
York, Fifth Avenue*

Sswing

*Tend Grand
Central*



Given the increased pedestrian activity in the neighborhood, it is perhaps no surprise that many businesses opened or reopened in the neighborhood this year. At the end of 2021, about 87% of occupied retail spaces in the district had an operating business, an increase of 11 percentage points compared to January 2021, and a 43-percentage-point increase compared to June 2020, when the city's reopening period began. Despite this improvement, retail vacancy remained an issue. The retail space vacancy rate of 20.6% at the end of 2021 was 2.4 percentage points higher than the January 2021 rate and about twice the December 2019 rate.

The return of office workers continued in 2021, albeit slowly. According to a Partnership for New York City survey of major employers, as of the end of October 2021, 28% of Manhattan office workers had returned to the office, a 16-percentage-point increase compared to early March 2021. Although only 16% of employers surveyed had greater than 50% daily office attendance at the end of 2021, an additional 56% expected to reach that level in the first half of 2022.

Bergamo's

*Bookmarks at
Library Hotel*

*Courtyard New
York Manhattan/
Fifth Avenue*

*Grand Central
Oyster Bar &
Restaurant*

*Grand Hyatt
New York*

The Grill

Library Hotel

Maggie's Place

NBA Store

*New York Transit
Museum Gallery
Annex and Store*

*Under the
Volcano*

*Westgate New
York Grand
Central*

DEVELOPMENT AND REINVESTMENT

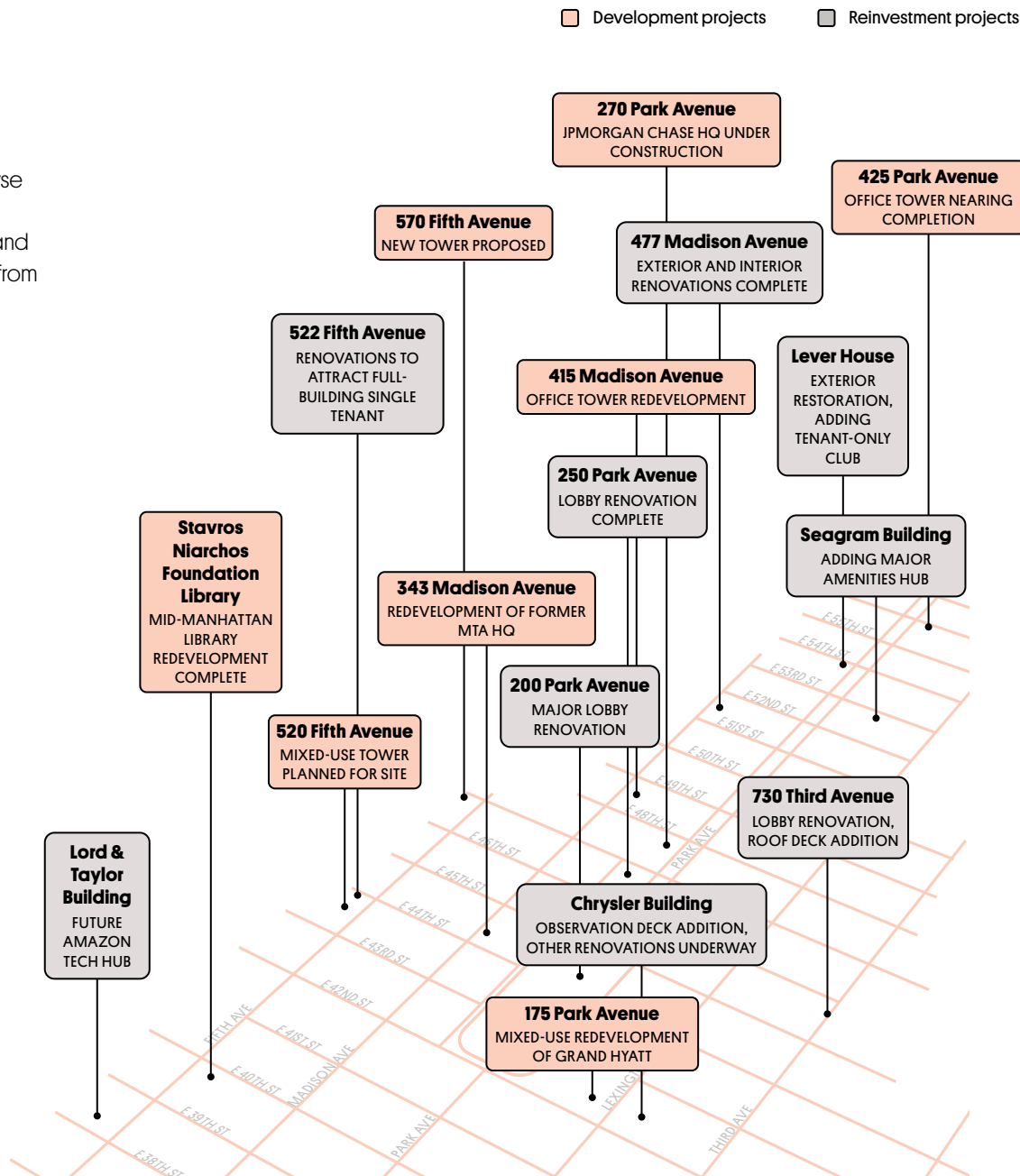
Despite uncertainty and continued challenges from the pandemic, GCP's stakeholders remained bullish on the future of Midtown East. GCP worked alongside elected officials and stakeholders to support major redevelopments at 415 Madison Avenue, 175 Park Avenue, and 343 Madison Avenue. Work continued at 425 Park Avenue and at 270 Park Avenue, where JPMorgan Chase has chosen to locate its new global headquarters. In addition, major new projects were announced at 570 Fifth Avenue and 520 Fifth Avenue.

The city's tourism industry got a boost in 2021 with the public opening of SUMMIT One Vanderbilt—Midtown East's newest observation deck. SUMMIT is a three-floor immersive

experience that includes a fully mirrored room, a glass-enclosed elevator that treats guests to spectacular panoramic views at the top of the tower, a new culinary experience from Danny Meyer's Union Square Events, and more.

The trend of building owners making major upgrades to better attract top tenants also continued in 2021. On Park Avenue, the Seagram Building will be getting a major amenities update with the addition of Seagram Playground, a 35,000-square-foot space that will feature fitness, wellness, and other amenities. An updated lobby was unveiled at 550 Madison. The Lever House will also undergo renovations to its public plaza, several of its entrances, and its

building exterior. Browse the map to learn more about development and reinvestment projects from 2021.



PUBLIC REALM IMPROVEMENTS

Park Avenue Malls

The most exciting public realm update from 2021 was the City's announcement that—with the support of the East Midtown Public Realm Improvement Fund Governing Group [EMGG]—it will hire a landscape architect to create a master design plan for the Park Avenue Malls. The City expects to have a final version of the master plan by summer 2023. This development is a significant advancement for Park Avenue and was made possible by GCP's advocacy and collaboration with Park Avenue stakeholders, the EMGG, and elected and governmental partners.

43rd Street Shared Street

The New York City Department of Transportation [DOT] implemented the interim design for the 43rd Street shared street, which

incorporated suggestions that came out of GCP-facilitated stakeholder discussions, including modifications to the footprint to accommodate better seating and the addition of parking and biking amenities. GCP will continue to lead stakeholder discussions in 2022 as DOT works to finalize the permanent design.

Pershing Square Plaza East

The New York City Department of Design and Construction [DDC] began work on the permanent buildout of Pershing Square Plaza East. The updated plaza is scheduled to open to the public in the fall of 2023.

Lexington Avenue Pedestrian Improvements

The City completed an interim treatment for enhanced pedestrian access on the west side

of Lexington Avenue between 42nd Street and 48th Street and expects to begin construction on pedestrian safety improvements on the east side of Lexington Avenue in early 2022. The east side improvements include pedestrian safety and ADA accessibility interventions at five intersections between 41st Street and 48th Street. Work on the Lexington Avenue pedestrian improvements is expected to take about three years.

2021 scenes from around the neighborhood

Photograph by James Carlson, IG: @718mango



ARTS AND CULTURE

Open-Air Concerts

GCP kicked off the 2021 summer season with the fourth annual Summer Solstice Music Festival with the support of property owners along Park Avenue from 39th Street to 54th Street.

Inspired by the positive community feedback from this year's Summer Solstice event, GCP launched Pershing Square Sounds, an instantly popular, open-air, free concert series in Pershing Square Plaza. The new series featured performances by some of New York City's top musical talents throughout the summer and during the holiday season.

The Rudin family and RXR Realty also hosted free lunchtime concerts over the summer at 345 Park Avenue and 230 Park Avenue respectively.



Art Installations in Pershing Square and on Park Avenue

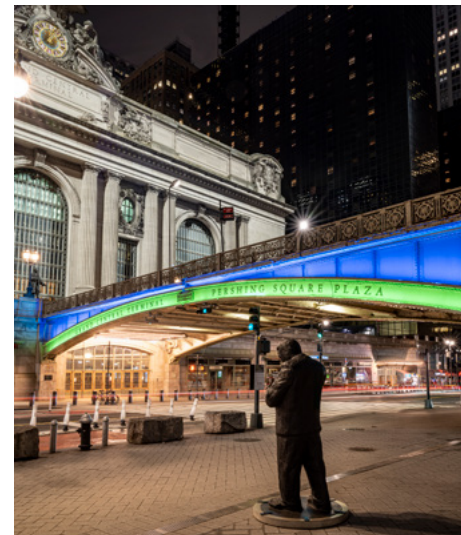
In 2021, GCP partnered with Cavalier Gallery and DOT to reveal three life-size works by internationally acclaimed artist Jim Rennert at Pershing Square Plaza West. Each sculpture stands over six feet tall and depicts the daily struggles and achievements of everyday people.

GCP also welcomed the installation of "George Rickey: Monumental Sculpture on Park Avenue," a public art exhibition that was staged in collaboration with the Sculpture Committee of the Fund for Park Avenue and the New York City Department of Parks and Recreation's Art in the Parks program. The presentation features nine monumental kinetic sculptures from the collection of world-renowned sculptor George Rickey.

Photographs by Diego Flores, courtesy of Kasmin Gallery

Jim Rennert at Pershing Square Plaza West

works by internationally acclaimed artist



Photograph by Mark Kornbluth, courtesy of Cavalier Galleries

Summer Solstice Music Festival and Pershing Square Sounds



new Field Operations uniforms



ACCESS CAMPAIGN

This past year, GCP began to roll out its Access to Everything is Everything campaign on new Field Operations staff uniforms and in print, digital, and social media to highlight Midtown East's unparalleled access to transportation, world-class dining, nightlife, and culture.

GRAND GOURMET GIVEAWAYS

While the pandemic prevented Grand Gourmet—The Flavor of Midtown® from being held in person this year, it also presented an opportunity to rethink the event. GCP worked with its sponsors to run a series of Grand Gourmet—branded gift certificate giveaways that engaged thousands across social media, raised \$50,000, and channeled funds directly to Midtown East's food and beverage sector, which was hit especially hard by the pandemic.

MASK DISTRIBUTION

GCP partnered with the New York City Departments of Small Business Services and Consumer and Worker Protection to distribute face coverings at no cost to small businesses of 100 employees or fewer. Over the course of the year, GCP's Field Operations team distributed 9,900 masks to 23 small businesses.

RESIDENTIAL DATASTORY

GCP partnered with Datastory to produce "Recent Trends in Residential Development in Midtown East: Exploring the Role of Residential Development in the World's Central Business District." The project is a digital scrolling narrative—featuring map-based data visualizations, images, and text—that tells the story of residential development in Midtown East.

PROGRAMMATIC UPDATES



FIELD OPERATIONS

GCP FIELD OPERATIONS TEAM

PUBLIC SAFETY

SANITATION

TOURIST & VISITOR SERVICES

122,843 HOURS

spent keeping the streets and sidewalks

clean,
safe,
and welcoming

Field Operations
supervisors checked
streetscape assets
for damages:

**1,156 STREETSCAPE ASSET
DAMAGES REPORTED,**

of which

**99% WERE DISCOVERED BY FIELD
OPERATIONS STAFF**

PLANTERS
STREETLIGHT
POLES
MULTIUNIT
NEWSPAPER
BOXES
BENCHES
BIKE RACKS
OTHER STREET
FURNITURE

ANNUAL RATE OF CRIME

▲ 30%

▼ 1%

Combined area of the New York
City Police Department's (NYPD's)
14th, 17th, and 18th precincts

GCP district

PUBLIC SAFETY OFFICERS

44,388 PATROL HOURS

3,201 INCIDENTS REPORTED

related to:

HOMELESSNESS/PANHANDLING

45%

VENDORS

19%

ASSETS

10%

FDNY/NYPD ACTIVITY, TRAFFIC,
AND OTHER INCIDENTS

26%

SANITATION STAFF

68,455 HOURS

cleaning streets and sidewalks

65,838 BAGS OF GARBAGE

disposed of, an increase from
45,337 bags in 2020 but still less
than half the pre-pandemic
volume

**847 INSTANCES OF
GRAFFITI/STICKERS**

removed or cleaned,
on average within 1½ days of
being reported

TOURIST GREETERS

**3 SIDEWALK
INFORMATION CART
STATIONS**

in and around Grand Central
Terminal

October 2021: GCP
resumed its engagement
with CTM to stock
information carts with
brochures highlighting
city attractions

\$8,000+

in revenue in last
2½ months of 2021

HOMELESS OUTREACH

GCP continued its engagement of Breaking Ground, one of New York City's largest homeless outreach and housing service providers, to supplement outreach within the district and provide services to the neighborhood's transient and homeless population. This relationship with Breaking Ground underscores GCP's desire to find help and housing for those who need it most.

Breaking Ground added 21 chronically homeless individuals to its caseload and placed 29 people in permanent housing. Over the course of the year, Breaking Ground's frontline outreach team contacted 668 individuals a total of 3,859 times on the streets of the district. About 80% of the people Breaking Ground contacted were street homeless individuals. The number of individual contacts in 2021 decreased by about 14% compared to 2020.*

**Due to the pandemic, homeless outreach services were suspended between March and July of 2020, so no outreach data was reported during these months. The time period in this comparison covers January, February, August, September, October, November, and December of 2020 vs. the same months in 2021.*

GCP also maintained its focus on tackling persistent quality-of-life issues in 2021. In particular, the organization worked closely with former NYPD Chief of Department Terence Monahan and then Senior Advisor for Recovery Lorraine Grillo from the Office of the Mayor, NYC COVID Recovery division, on the Commercial District Recovery Safety Program, which sought to address quality-of-life issues in commercial districts around the city.

CAPITAL MAINTENANCE

GCP's Capital Maintenance division serves as a steward of the district's streetscape, overseeing the organization's portfolio of streetscape assets [benches, bike racks, light poles, trash cans, etc.] and semiannual plantings and providing input with regard to public realm projects undertaken by the City or the private sector.



Horticulture

GCP conducts an ambitious year-round horticultural program on the streets of the Grand Central neighborhood. Across

spring and summer, the Capital Maintenance division planted nearly 17,000 daffodils, tulips, and other flowers in GCP's planters, elevated baskets, and tree pits and in the Park Avenue Malls. They also maintained an additional 2,800 plants over the course of the summer.

Tree Plantings

In celebration of Earth Day, GCP teamed up with the New York Tree Trust to fund the planting of dozens of new trees in existing tree pits to replace trees that were damaged, destroyed, or removed due to bug infestation. The New York Tree Trust was established in 1994 by the New York City Department of Parks and Recreation and the City Parks Foundation to protect, preserve, and enhance the city's trees through public-private partnerships.



Rain Garden

To address issues related to drainage and the plantings in Pershing Square Plaza West, GCP partnered with New York City-based landscape architect Nina Kramer to redesign the plaza's rain gardens, adding more resilient plantings and updating the drainage system.

FINANCIAL STATEMENTS

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 3,323,575	2,522,151
Program revenue receivable	539,975	129,125
Investments	1,847,953	3,063,496
Prepaid expenses	408,478	443,112
Bond funds held by trustee	1,026,105	1,027,095
Property and equipment, net	4,869,872	6,338,099
Right-of-use asset – operating leases	3,397,481	3,771,244
Bond issuance costs, net	12,085	36,245
Security deposits	116,303	116,286
TOTAL ASSETS	\$ 15,541,827	17,446,853
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 606,050	375,486
Deferred income	118,400	89,248
Accrued bond interest	48,375	94,500
Lease liability – operating leases	3,639,021	3,990,026
Bonds payable	1,955,118	3,861,029
TOTAL LIABILITIES	\$ 6,366,964	8,410,289
Commitments and contingencies*		
Net Assets:		
Without donor restrictions	\$ 9,128,016	8,869,717
With donor restrictions	46,847	166,847
TOTAL NET ASSETS	\$ 9,174,863	9,036,564
TOTAL LIABILITIES AND NET ASSETS	\$ 15,541,827	17,446,853

	2021	2020
SUPPORT AND REVENUES		
Unrestricted:		
Assessment revenue	\$ 12,709,372	12,709,372
Program service income	353,600	438,960
Contributions	35,482	1,554,870
Pershing Square rental income, net	298,538	167,658
Special events:		
Event income	–	212,414
Less: related direct costs	–	(176,444)
Net special event income	–	35,970
Investment income	69,515	277,614
Net assets released from restriction:		
Satisfaction of purpose restrictions	–	–
TOTAL SUPPORT AND REVENUES	\$ 13,466,507	15,184,444
EXPENSES		
Program Expenses:		
Public safety	\$ 3,064,826	3,036,574
Sanitation	3,803,435	4,003,546
External affairs	1,090,684	1,070,202
District-wide maintenance	2,569,597	2,768,018
Horticulture	467,687	468,912
Social services	233,972	236,374
Tourist greeters	339,394	429,934
TOTAL PROGRAM EXPENSES	\$ 11,569,595	12,013,560
Supporting Services:		
Management and general	\$ 1,758,613	1,829,478
TOTAL EXPENSES	\$ 13,328,208	13,843,038
INCREASE/(DECREASE) IN NET ASSETS	\$ 138,299	1,341,406
NET ASSETS, BEGINNING OF YEAR	\$ 9,036,564	7,695,158
NET ASSETS, END OF YEAR	\$ 9,174,863	9,036,564

*These Combined Statements of Financial Position and Activities of the Grand Central Partnership, Inc. and the Grand Central District Management Association, Inc. are provided by Skody Scot & Company, CPAs, P.C. and are for years ended June 30, 2020 and 2021. Full audit available at www.grandcentralpartnership.nyc/about/reports-and-data.

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Jonnel Doris*
Commissioner, NYC Department
of Small Business Services

Hon. Scott M. Stringer
Comptroller of the
City of New York

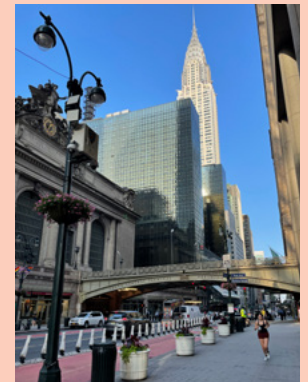
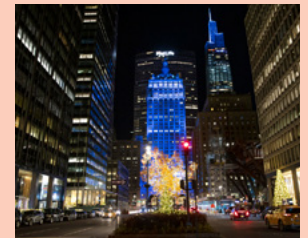
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Manhattan Borough President

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Member, New York City
Council, District 4

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Jesús Pérez, District Manager
Claude L. Winfield
Manhattan Community
Board Six

Vikki Barbero, Chair
Marisa Maack, District Manager
Manhattan Community
Board Five



*Alternate directors

GCP field staff at essential workers parade



serving the community in Pershing Square Plaza



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Marc Wurzel, General Counsel

George Twill, Vice President for Project Planning

Robert Adinolfi, Comptroller/CFO

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Janice Lohmann, Administrative Assistant

Duane Roggendorff, Director of External Affairs

Paula Horowitz, Director of Hospitality & Special Events

Ryan Pukos, Senior Project Manager

Lindsay Eason, Director of Field Operations

Alberta Ancrum, Deputy Director of Field Operations

Barry Newman, Dispatcher/EEO Counselor

Anthony Stuckey, Operations Coordinator

Field supervisors:

Blerina Blojaj

Ricardo Ferguson

Julian Herrera

Bright Kpeme

Kenneth Lind

Benito Madera

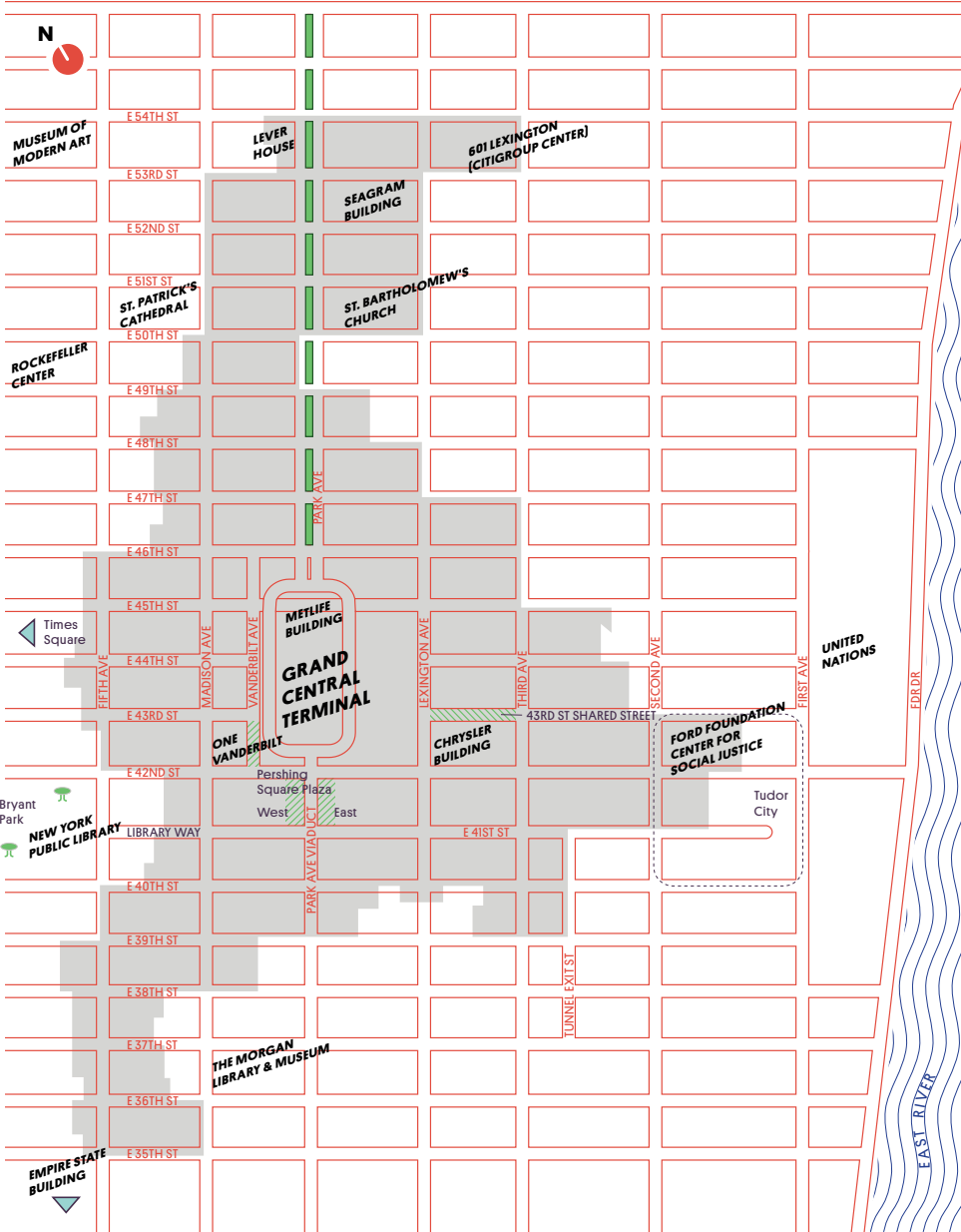
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Mavelyn Wilson, Office Manager

Trina Swinson, Executive Assistant

Asia Gray, Payroll & Benefits Officer

Ronald De La Cruz, Administrative Assistant



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