

HUDSON RIVER PARK TRUST



Hudson River Park



FINANCING PLAN FY2019

FEBRUARY 1, 2018

Important Update (dated February 9, 2018)

The Hudson River Park Act mandates that the Hudson River Park Trust (Trust) prepare a Financing Plan annually by February 1, before either the New York State or New York City Budgets are adopted for the coming fiscal year. The New York State budget year begins annually on April 1, while the New York City budget year begins annually on July 1. As a result, the Trust's annual Financing Plan is necessarily a snapshot of information available prior to February 1st of any given year.

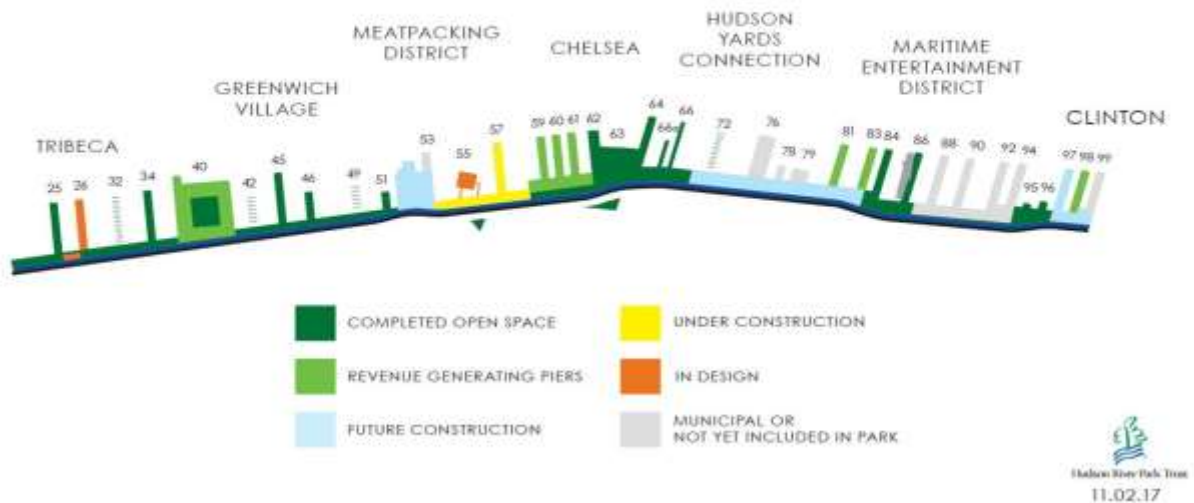
As of February 1, 2018, the Trust is aware that Governor Cuomo has announced his intention to work with New York City to finalize a completion plan for the balance of the park, while ensuring that the Hudson River Estuarine Sanctuary is also protected. Because the Governor issued his preliminary budget for FY18-19 on January 16, 2018, the document that follows includes this potential allocation and possible projects even though the budget must still be approved by the State Legislature. As of February 1, no information on the City's proposed budget was available, so this document does not indicate any potential new allocations for Hudson River Park beyond those identified in the current New York City Capital Budget. To the extent that there is a notable update in the coming months, the Trust will update this document.

Introduction

Nearly twenty years after its creation in 1998, construction of Hudson River Park (the Park) – occupying a four mile stretch of New York City and State property along Manhattan's Hudson River edge – is approximately 77% complete or currently in progress. The park includes a dozen completed public park piers, acres of landscaped paths, lawns and gardens, four dedicated non-motorized boat houses, and some of the most popular and heavily used athletic fields in New York City. New Yorkers from all over the city and state, and tourists from all over the world come to enjoy its vistas, use its playgrounds and get on the river in kayaks, ferries and sailboats.



The diagram below depicts the status of park completion. To date, Hudson River Park has benefited from State and City appropriations, as well as federal and private funding and funding commitments, totaling approximately \$930 million. Of this amount, approximately \$507 million has already been expended on public park areas. The unexpended balance encompasses a variety of new construction and major capital maintenance projects that are currently in progress. The most significant of these, from a cost perspective, are the Pier 55 park project and Pier 40 pile repair job which together account for approximately \$300 million of the committed but unexpended total.



The Trust estimates that the capital cost to complete the remaining portions of the park that are not yet funded is approximately \$209 million. Potential sources have been identified for approximately \$88 million (41 percent) of this funding shortfall. The most significant of these potential sources are:

- In his recent “State of the State” address, Governor Cuomo announced his intention to work with New York City to finalize a completion plan for the balance of the park, while ensuring that the Hudson River Estuarine Sanctuary is also protected. In his recommended budget for FY18-19, issued on January 16, 2018, the Governor proposed an allocation of \$50 million for Hudson River Park. While the budget must still be approved by the State Legislature, an allocation of this magnitude would enable the Park to take a significant leap forward.
- Hudson River Park Trust (Trust) has identified a potential funding source – proceeds from certain air rights transactions currently being considered through New York City’s formal land use process – for another \$48 million. If the air rights transfers are approved pursuant to local zoning, \$38.5 million would be applied to certain new park improvement projects within the Community Board 4 area of Hudson River Park identified below, with the balance reserved for future capital maintenance projects within that same district.

As in the past, the Trust will pursue both public and private funding sources to secure the balance of funds necessary to complete the Park.

In the case of Pier 76, the existing New York City Police Department (NYPD) tow pound would need to be relocated in order to make the site available for both Park and commercial use, as intended by the Act.

The construction and operation of Hudson River Park has contributed significantly to the vitality of New York, resulting in billions of dollars of direct and indirect benefits to the City and State. Completing the Park will expand high-quality public open space for all New Yorkers, support economic growth and local job opportunities, while continuing to catalyze private investment in adjoining neighborhoods.

Capital Budget Support and Sources

The Park has benefited greatly from capital budget funding from both the City and State. From the time the Trust was created in 1998 to the beginning of the current fiscal year, the City and State have appropriated and directed approximately \$585 million to the Park. This includes federal funds that have been provided under the leadership of Albany and City Hall through the Lower Manhattan Development Corporation and the State Department of Transportation. Over the years, City Council members and the Borough President of Manhattan have generously provided member item contributions in response to specific requests, as has New York State Assembly Member Dick Gottfried and Senator Brad Hoylman.

In January, 2018, Governor Cuomo issued his proposed State budget for State fiscal year 2018-19. The budget recommends providing the highest single year State appropriation ever provided to Hudson River Park -- \$50 million. New York State must still adopt the budget officially before these funds can be appropriated.

As anticipated in the Hudson River Park Act (Act), the Trust has also pursued private contributions and grants. Philanthropists Barry Diller and Diane Von Furstenberg, through their family foundation, have pledged \$185 million for the construction of "Pier 55", the replacement of Pier 54, as a public park pier. Hudson River Park Friends has recently led a successful campaign to raise funds for an ambitious reconstruction of the Chelsea Waterside Park playground. This private effort has been supported by City Council Speaker Corey Johnson, Assembly Member Dick Gottfried and Senator Brad Hoylman, each of whom has contributed significant funding as well. The Trust will continue to pursue grants and other public funding opportunities to advance the completion of the Park.

Hudson River Park was established on the principle that it would be financially self-supporting to the extent practicable. Accordingly, neither the City nor the State provides direct funding support for the Park's on-going maintenance and operations. In recent years the Trust has achieved this goal by generating sufficient revenue from a combination of leases, permits, parking revenue, fees, and annual contributions, to meet annual maintenance and operating expenses. However, the level of self-generated income has generally not been adequate to cover both these expenses and increasing capital maintenance costs. Capital maintenance costs include the periodic reconstruction of existing Park facilities approaching the end of their useful lives, such as heavily used playgrounds and artificial turf ball fields, as well as stabilizing legacy assets inherited when the Park was created, such as caring for the historic bulkhead or repairing or replacing the Pier 40 roof.

Today, capital maintenance costs not supported by public funds consume roughly 20% of the Trust's self-generated revenue; yet, this cost category was not fully considered during the passage of the Act. While the State and City have recently provided support for several large capital reconstruction projects, the broad capital maintenance category is expected to grow steadily in the future and the Park needs a sufficient and predictable income stream to meet this challenge. Moreover, when scarce State and City capital budget dollars are diverted to the Park's urgent capital maintenance needs, available funding for new Park construction becomes constrained.

To address future operating and capital maintenance needs, and also to advance the objective of Park completion, the Trust must secure new long-term revenue-generating leases for Pier 40 and Pier 76. Throughout 2017, the Trust worked closely with Community Board 2 and elected officials to discuss amendments to the Act required to attract a viable development at Pier 40. As a result of this process, the Trust is hopeful that in 2018 the NYS Legislature will consider allowing a longer lease term and

permitting office use at Pier 40 as part of any future redevelopment. Should such an amendment be approved, the Trust would commence a competitive selection process seeking a developer.

Park Completion Plan

The narrative that follows describes the status of park completion for all of the areas not shown as complete on the diagram map above. Projects are grouped under one of the following headings: 1) under construction; 2) fully funded projects; 3) funding sources identified but not yet secured and 4) unfunded. As noted, most of the unfunded projects also require land use or other decisions before they can be implemented. Except where otherwise described, projects are listed from south to north.



Under Construction:

Two areas in the Meatpacking District are fully funded and are currently under construction: the Pier 54 Connector, and Pier 57, inclusive of the Pier 57 Open Space. The Trust is also in the process of installing a comprehensive signage and wayfinding system throughout the entire project area – the first permanent signage program in Park history.



Pier 54 Connector | Bloomfield St. to W. 14 St

The Pier 54 Connector project consists of an expansion of the public esplanade from Bloomfield Street to 14th Street where it will link to the newly constructed Pier 57 public esplanade. In-water construction is complete, and landscape finishes and the installation of utilities are in progress. Approximately 24,300 square feet of new public open space will be created. The total cost of the project is approximately \$22.5 million. In addition, the Trust acted as initial project sponsor for an adjacent cross-walk project being constructed by NYS Department of Transportation.

Pier 57 & Pier 57 Open Space | W 14 St to W 17 St

Nearby, at Pier 57, a private developer, RXR/Youngwoo & Associates, is rehabilitating historic Pier 57 into a hub for office, cultural, recreational and public market activities. The approximately \$350 million project will encompass approximately 480,000 square feet of rentable space and the creation of 3.1 acres of public open space. Google, the project's anchor office tenant, signed a 15-year sublease with RXR/Youngwoo & Associates to occupy 250,000 square feet of office space.

The developer of the Pier 57 project is also in the midst of constructing a new publicly accessible roof-top park, perimeter walkway and overwater platform esplanade in conjunction with its private development. This approximately 3.1 acre public open space component of the project will be fully funded by the private developer at an estimated cost of \$14.8 million.

Major Capital Maintenance Projects | Greenwich Village and Chelsea

Aside from these new construction projects, the Trust is also performing construction in Greenwich Village to restore the historic Hudson River bulkhead near Morton Street, and in Chelsea at Chelsea Waterside Park playground. Together, the cost of these projects to the Trust are estimated at \$20.9 million. The projects are in areas of the Park that were previously completed, and are therefore considered “capital maintenance.” As noted above, this cost category was not fully considered when the Act was originally enacted. In these cases, the Trust was able to secure New York State funding to undertake the urgent bulkhead repairs and associated landscape restoration, and a combination of private donations and appropriations from elected officials for the playground restoration.



Fully Funded Projects:



As of January 2018, funding sources and commitments have been secured for several important additional projects. As described below, these projects are in various stages of design, permitting and construction.

1. Pier 26 Park & Upland | North Moore & Hubert St | Tribeca

In 2006, the Lower Manhattan Development Corporation provided \$72.6 million towards the build-out of the Tribeca section of the Park. Additional federal funding (obtained by Congressman Jerrold Nadler), as well as allocations from the City and State, enabled the Trust to complete Pier 25, upland park areas to the north and south of the pier, and a boathouse and restaurant building at the foot of Pier 26.

In 2016, the State and City helped the Trust secure a \$10 million commitment from the Lower Manhattan Development Corporation towards the completion of Pier 26.



Added to commitments of \$10 million from the City and a \$10 million donation from Citigroup (\$30 million in total), such funding is sufficient for the design and completion of the Pier 26 park finishes.



Design of the pier is well under way, and Manhattan Community Board 1, in which Pier 26 is located, is highly supportive of the planned mix of programming components. Aside from a small active field area, which was requested to support the explosive growth of children’s sports in Lower Manhattan, Pier 26 will feature a number of ecological components, including an “ecological get down” at the western end of the pier. Assuming required permits are issued,

construction of the get down will occur in 2018, with the balance of the pier's construction taking place thereafter.

2. Pier 40 Pile Repairs | W Houston St

One other major construction project is expected to commence in 2018: the phased repair plan for Pier 40's deteriorated piles. Given the number of piles and degree of degradation, this is a very large, multi-year endeavor expected to cost approximately \$104 million. The Trust has secured the funds required for such construction through the sale of air rights from Pier 40 and expects to start repairs in Spring 2018 as soon as regulatory approvals are received.

3. LGBT Memorial | Bethune St

On June 26, 2016, Governor Cuomo signed Executive Order No. 158, establishing an LGBT Memorial Commission to provide recommendations for a memorial in the City of New York to stand as an international symbol against ignorance, hate, bigotry, and gun violence, and to honor the victims of the June 12, 2016 shooting at Pulse nightclub in Orlando, Florida. In the ensuing months, the Commission selected Hudson River Park as the location for the monument, and then initiated a public design competition for the memorial. In June 2017, Governor Cuomo announced that Anthony Goicolea Studios had won the design competition.

The Trust has been asked to facilitate design and installation of the memorial, which is expected to cost approximately \$1 million. Other project costs are being handled directly by New York State Office of Parks, Recreation, and Historic Preservation. Construction is scheduled to be completed for Heritage of Pride celebration in June 2018.

4. Pier 55 | W 14th St

In November 2014, the Trust and Barry Diller/Diane von Furstenberg announced a plan to replace the dilapidated Pier 54 with a new pier combining public park and performance space to be named Pier 55. The cost is estimated at over \$200 million, of which the donor will fund approximately \$185 million. Supplemental funding is to come from the City, and private funds previously received by the Trust. Additional funding from Diller/von Furstenberg will provide continued operating and programming support.



The commitments regarding Pier 55 have been set forth in a 20-year lease with a newly formed non-profit, Pier55, Inc., which will undertake and pay for most construction and operating costs associated with the new Park pier. Barry Diller has signed a pledge agreement under which he will provide operating funds to the non-profit for maintenance. Construction of the 2.7-acre Park pier commenced in 2016; however, litigation significantly delayed the project. In November 2017, Governor Cuomo, the donors and litigants announced an agreement for construction to resume. The Trust must re-secure permits from regulatory agencies in order to do so; assuming such permits are secured, construction will recommence in May 2018, with completion expected by the end of 2020.

Projects with Funding Sources Identified but Not Yet Secured:

As noted above, Governor Cuomo's proposed FY18-19 budget has identified \$50 million for Hudson River Park construction, subject to budget approval by the NYS Legislature on or about March 31, 2018. In addition, two separate air rights transfers from Hudson River Park are currently being considered through the New York City's Uniform Land Use Review Procedure (ULURP) process. If approved, the Trust would receive \$46.57 million, with 80% to be used for park construction and 20% for capital maintenance projects, both within Manhattan Community Board 4's boundaries – 14th Street to 59th Street where there are a number of incomplete park areas.

With respect to the air rights transfer funds to be allocated to park construction, the Trust undertook a consultation process with Community Board 4 to identify and prioritize park construction projects within the Community Board 4 boundaries that could be implemented with funding from the contemplated transfers. In December 2017 and January 2018, Community Board 4 undertook a public discussion about such priorities, with the Trust providing preliminary cost estimates and other information to inform the discussion.

Community Board 4 has now provided a project list in priority order to the Trust. These projects are to be designed and constructed from funds from both the State budget and the transfer of development rights, should they become available. Once the State budget is passed, the Trust intends to start the design work for Pier 97 and its adjacent upland area as a first priority. The following is a description of each project that could be potentially funded through either air rights sales or New York State funding as ranked by Community Board 4.

1 Pier 97 | W 57th St

The Park's northernmost public open pier, Pier 97, is slated to become a public recreation space that will serve the expanding residential neighborhood of West Clinton. Using City funding secured through Hudson River Park Friends, the Trust was able to rebuild the pier's structural deck several years ago at a cost of approximately \$16.1 million. However, insufficient funds were available at that time to complete the pier. Pier 97 measures approximately 79,620 square feet. Its estimated design and construction cost, inclusive of the associated Pier 97 Upland project listed below, is approximately \$35.7 million.



2. Chelsea Waterside Park Upgrade/Expansion | W 22 St to W 24 Street

The section of Hudson River Park known as Chelsea Waterside Park was built by the NYS Department of Transportation prior to Hudson River Park's existence. Since then, the Trust has replaced the heavily used artificial turf ballfield, and is currently renovating the playground as part of a major capital maintenance/reconstruction project described above. Other upgrades are currently needed, including an expansion of the dog run, a picnic area expansion, and construction of new public restrooms which were never installed when this park area was originally built. The cost of these upgrades is estimated at approximately \$8 million.

3. Pier 97 Upland | W 57th St

Adjacent to Pier 97 is a sizable upland area measuring approximately one acre. When this area and Pier 97 are complete, the “Clinton Cove” portion of Hudson River Park will be significantly enhanced. A small building will be required to serve as a utility hub for park uses in this zone, and for public restrooms and as a satellite facility for park maintenance. Its estimated design and construction cost, inclusive of the associated Pier 97 project listed above, is approximately \$35.7 million.

4. Gateway Tunnel Area | W 29 St to W 30 St

The upland area opposite Hudson Yards from 29th to 35th Streets is among the least improved in the entire Park. However, the area is complicated by several land use planning issues. Among these is the planned “Gateway Tunnel” for Amtrak and New Jersey Transit. While that project has not yet been formally approved, it is anticipated that construction of the two new tunnel tubes required for the project would directly affect the area of Hudson River Park between approximately 29th Street and 30th Street beginning in 2021 and lasting through 2022. Within this area is a narrow interim public walkway and a portion of the existing heliport.

Community Board 4 has requested that the Trust commence design of this area as public park space, both to guide the Gateway project and with the idea that if the Gateway project is delayed or does not advance, some park improvements could be made to this unattractive area. The Trust estimates on a preliminary basis that the cost of the new Park improvements for the 29th Street to 35th Street section, inclusive of this project, is approximately \$37.4 million.

5. Pier 66a Historic Float Bridge | W 26 St

Pier 66a, also known as the Baltimore & Ohio Railroad Float Transfer Bridge, is an existing historic resource and is also the means of access to an important revenue-generating facility (Pier 66 Maritime restaurant) as well as to several historic vessels. Recent inspections performed by a marine engineer on the Trust’s behalf have identified significant structural problems on the eastern end of the float bridge. Repairing the float bridge will be a complicated project requiring underpinning to support the historic structure prior to making structural repairs. The Trust has engaged an engineer to design the necessary repairs. Until the design is further advanced, it is difficult to determine repair costs; however, at this time, the amount is estimated to be approximately \$2.8 million.



Given that repairs may need to commence prior to the Trust receiving funding from anticipated air rights sales, the Trust plans to use State funding for the float bridge repairs.

6. Pile Supported Walkway | W 58 and W 59th Streets

At the northernmost edge of the Park, plans call for a modest new over-water pedestrian platform and related upland park construction to improve circulation and safety between West 57th and West 58th Streets. The existing area is too narrow to accommodate both a full width bikeway and esplanade and must therefore be widened. The Trust has entered into a contract with a marine engineer to design the structural portion of the improvements. We expect that construction of the widened walkway, inclusive of utilities, railings, lighting, and other finishes would cost approximately \$6.5 million.

7. **Pier 76 beach area** | W 34 St to W 35 St

Immediately south of Pier 76 is an area where there is an existing soft edge rather than the historic bulkhead typical of the rest of Hudson River Park. Plans and permits for Hudson River Park have long included a “beach” where some combination of habitat enhancement, environmental education and/or non-motorized boating could occur. The preliminary cost estimate for this work is included in the \$37.4 million figure cited above for the 29th Street to 35th Street section.

Projects Partially Funded and With Funding Sources Not Yet Identified

In addition to the projects listed above, there are several Park improvements for which funding must still be identified, or which have only partial funding. In addition, all but two of these projects require a land use decision or other public process before they can be implemented. The Trust works closely with the City and State, including local elected officials and community boards, to try to resolve these issues, and will continue to do so.

1. **Pier 26 Estuarium** | Upland area near Pier 26

Plans for the Tribeca park section have always included an “estuarium” – a river research and education facility identified in the Act. The estuarium will be operated by Clarkson University, in association with the Trust and several participating not-for-profits. The consortium of operators was selected pursuant to a competitive Request for Expressions of Interest. The Trust has secured approximately \$10.1 million towards the cost of constructing the estuarium, with \$5 million of this amount from the Port Authority of NY/NJ and the balance from the NYS Department of Environmental Conservation and NYS Department of State.

The Trust will assist Clarkson University with raising the estimated \$30-40 million needed to complete the estuarium through grants and donations. The Trust expects that the estuarium, once complete, will be the responsibility of Clarkson University and not require operating support from the Trust.

In the meantime, the Trust was fortunate to secure the pro bono services of architect Rafael Vinoly, who has been assisting the Trust and Clarkson with preliminary planning including a design concept for the estuarium building.

2. **Pier 40 Redevelopment** | Houston St

Pier 40 is the largest property in the Park and home to athletic fields, administrative and operating facilities of the Trust, a commercial parking garage, and commercial excursion vessels. Parking and dinner cruise uses at Pier 40 net the Trust approximately \$5.9 million in annual operating revenue, but this is before consideration of capital maintenance costs for this deteriorated structure. The building is well past its useful life and essential repairs to its core systems have been required for a number of years; for example, the Trust is currently upgrading the entire sprinkler system. The roof of the southern shed is also much deteriorated, with the result that vehicles are no longer permitted below it.



Until several years ago, Pier 40 generated approximately 40% of the Park's income, but that revenue share has declined as a result of Pier 40's poor condition and income growth from other locations within the Park. Today, net operating income from Pier 40 accounts for approximately 25% of the Trust's

annual operating revenue. However, when the full Pier 40 capital maintenance costs are taken into account, the overall benefit to the Trust's operating budget is severely reduced.

As described above, the Trust was able to secure \$100 million from the private developer of the St. John's Terminal Building as a result of an air rights sale pursuant to local zoning and the Hudson River Park Act. In 2018, pending receipt of permits, we will begin using these funds to repair the deteriorated piles that support the pier. An additional \$14.1 million has been made available by the City to address other Pier 40 building infrastructure deficiencies over a three-year period. Should the Act be amended, this additional City funding will help sustain existing recreational and revenue generating uses until private redevelopment can be initiated as intended under the Act.

As a designated "park/commercial" pier under the Act, Pier 40 is intended to be redeveloped privately. Prior plans to rehabilitate Pier 40 considered through two separate RFP processes were abandoned due to a combination of restrictions on permissible uses, a short lease term and community concerns. For most of 2017, the Trust participated in a Pier 40 task force convened by Manhattan Community Board 2 that explored existing conditions, concerns and desires. As a result of this process, Community Board 2 agreed in concept to support a change in the Hudson River Park Act to allow a longer lease term and introduce commercial offices as a permissible use at Pier 40, subject also to achieving many community goals for Pier 40.

The Trust is now discussing next steps for Pier 40 with elected officials. If the Act can be amended, the Trust would work with the community on a competitive RFP that can achieve community support. Even subsequent to selecting a developer, there are still numerous steps that must occur before any construction could commence: these include advancing a business negotiation, preparing an Environmental Impact Statement (EIS), completing ULURP to address complex business, environmental and zoning issues; conducting a significant action process pursuant to the Act, and executing a lease. The Trust assumes that that a future developer would be responsible for the capital cost to permanently reconstruct the public ballfields and other public amenities and complete the upland park section east of Pier 40's bulkhead.

3. Gansevoort Peninsula | Horatio-Bloomfield St | Meatpacking District

At 5.6 acres, the Gansevoort Peninsula will eventually become one of the Park's largest recreational spaces. New York City is nearing completion on the demolition of a former sanitation facility at the Gansevoort Peninsula, at which time the property will be turned over to the Trust for park construction. The City's Department of Sanitation may then elect to build a new marine transfer station (MTS) at the western edge of the peninsula.

The Trust has \$23.1 million in dedicated settlement funds paid by the City from previous third-party litigation related to Gansevoort's prior sanitation use; such funds can only be used for park construction at Gansevoort. The Trust has not yet identified a source for completing the unfunded balance of the Gansevoort park construction cost, which will include a habitat enhancement at the southern edge of the peninsula. The unfunded costs for build-out of the park at the Gansevoort Peninsula, inclusive of a soft edge on the south side of the Peninsula, are estimated at approximately \$61 million, with an additional \$15 million estimated for a park maintenance/public restroom/utilities building.

The Trust's ability to advance a final design for new park construction has been delayed by the uncertainty surrounding the future MTS. The Trust is in discussion with New York City about the timing of decision-making, and about whether there is an efficient way to proceed with design of the peninsula even in the absence of a decision on the MTS.

4. Upland Park | W 29th-35th St

As new residential buildings come on line on the far west side of Manhattan, this portion of the Park will serve the rapidly developing Hudson Yards neighborhood. Moreover, this section is in close proximity to the No. 7 train expansion, making this area of the Park more easily accessible to residents of Queens as well as Manhattan. The development of this area is a priority for Community Board 4.



As described above, Community Board 4 has identified two portions of the upland area between 29th and 35th Streets for possible advancement with air rights funds: the blocks between 29th and 30th Streets, and the beach area between 34th to 35th Streets. The upland area between these blocks will also need to be improved.

Aside from the Gateway Tunnel project identified above, the Trust's ability to move forward with this project area also depends on the ability to finalize the future location of the West 30th Street heliport. The Trust is working with the State and City to try to advance a decision on this issue.

As discussed above, the Trust estimates on a preliminary basis that the cost of the new Park improvements, exclusive of potential bulkhead work, for the 29th Street to 35th Street section is approximately \$37.4 million.

5. Pier 76 | W 34th St

Pier 76 currently serves as an NYPD tow pound. Under the Act, the City is required to use "best efforts" to relocate the tow pound so that the pier can be made available for park development. As amended in 2013, upon the completion of development, the Act requires that at least 50% of the Pier 76 footprint be devoted to public park use, while the balance may be used for commercial purposes permitted under the Act. Pier 76 measures approximately 245,865 square feet, with an additional 55,350 square feet of upland area; the total area available for parkland is approximately 178,282 square feet (4 acres).



Pier 76 presents an important opportunity for the Trust to create both new parkland and a new source of revenue to support on-going Park operations and maintenance costs.

At the present time, the Trust believes that an RFP would require a private developer to be responsible for all capital costs except, potentially, those for public open space and new park building. However, this division of responsibility is yet to be determined.

The Trust projects that all development rights generated by the pier footprint would be used on-site. The planned redevelopment of Pier 76 depends on the following actions:

- The City identifies and commences development of an alternate tow pound facility.
- The Trust and/or the City undertakes an inspection and structural analysis of the existing Pier 76 piles.
- As with Pier 40, the Trust’s plan is to first work in cooperation with the local community and elected officials to develop a use program and then issue an RFP. The private developer would be selected under the RFP to build the commercial, and perhaps public, portions of the pier once the tow pound relocation site and schedule are known.
- The Trust assumes that EIS, ULURP and business negotiations take place over a three year period.

Removing the tow pound from this part of the waterfront will add enormous value to the Park and its growing neighborhood, by providing a new publicly accessible open space resource with expansive views to the Hudson River. The commercial portion of the pier will be a source of operating revenue essential to making the Park fully self-sufficient.

6. Pier 79 to Pier 84 Upland Park | W 39th- 44th St

The project area centered at the foot of 42nd Street is one of the Park’s busiest sections, receiving an estimated 4.2 million visitors per year. The area includes numerous tourist and commuter oriented commercial activities such as the Pier 79 ferry terminal, Circle-Line tours, World Yacht cruises, the Intrepid Sea, Air and Space Museum, and the City’s Passenger Ship Terminal at its northern end.



An improved waterside esplanade is needed to link the various activity nodes in this area of the Park. The project area measures approximately 102,149 square feet, and its construction cost is estimated on a preliminary basis at \$27.9 million.

Given the concentration of tourist and commuter activities located in this portion of the Park, a transportation or economic development grant is a potential alternative funding source if needed; the Trust has pursued such opportunities unsuccessfully in the past. Improvements would serve millions of tourists annually and also reduce the current traffic conflicts between cyclists, pedestrians, public buses, taxis and private vehicles entering the area.

The chart below identifies the elements of Hudson River Park that are still incomplete, and identifies, for each, the estimated construction cost and, where known, sources of funding. Note that the Governor’s proposed \$50 million budget allocation for FY 18-19 and two pending air rights transactions are included as sources of funds.

| CAPITAL PLAN - SOURCES & USES NEW PARK CONSTRUCTION AND PIER 40 INFRASTRUCTURE | | | | | | | |
|--|---------------------------|-------------------------------|----------------|----------------------|-------------------|-----------------|-----------------|
| Use of Funds (Capital Project) | Estimated Cost (millions) | Source(s) of Funds (millions) | | | | | |
| | | NYC Available | NYS Available | Restricted Available | Private Available | Air Rights* | Source Unknown |
| Pier 26 Park | \$30.00 | \$10.00 | | \$10.00 | \$10.00 | | |
| Pier 26 Estuarium | \$40.00 | | \$10.10 | | | | \$29.90 |
| Pier 40 Infrastructure* | \$121.60 | \$14.10 | \$2.00 | | \$5.50 | \$100.00 | |
| Gansevoort Park | \$45.80 | | | \$23.10 | | | \$22.70 |
| Gansevoort Park Building | \$15.00 | | | | | | \$15.00 |
| Marine Portion of Gansevoort | \$15.00 | | | | | | \$15.00 |
| Pier 54 Connector* | \$22.50 | \$1.50 | \$18.00 | \$3.00 | | | |
| Pier 55 (HRPT Portion) | \$18.70 | \$15.50 | \$2.70 | \$0.50 | | | |
| Pier 55 (Donor Portion) | \$185.00 | | | | \$185.00 | | |
| Pier 57 Open Space* | \$14.80 | | | | \$14.80 | | |
| Chelsea Waterside Expansion | \$8.00 | | | | | \$8.00 | |
| W29th to W35th Park & Beach | \$37.40 | | | | | \$27.40 | \$10.00 |
| Pier 79 to Pier 84 Upland Park | \$27.90 | | | | | | \$27.90 |
| Pier 97 & Upland Park | \$29.80 | | \$29.80 | | | | |
| Pier 97 Park Building | \$6.50 | | \$6.50 | | | | |
| Pier 98-99 Marine Platform | \$3.00 | | \$3.00 | | | | |
| Pier 98-99 Esplanade | \$3.50 | | \$0.40 | | | \$3.10 | |
| TOTALS | \$624.50 | \$41.10 | \$72.50 | \$36.60 | \$215.30 | \$138.50 | \$120.50 |
| Percentage Distribution | 100% | 7% | 12% | 6% | 34% | 22% | 19% |
| <p>Note: Where designs for capital projects have not yet been prepared, cost estimates are preliminary and based on previous construction in Hudson River Park, adjusted for inflation. Preliminary costs have not yet been estimated for public space creation and improvements at Pier 40 and Pier 76 as conceptual plans and programming for those areas have yet to be developed; potential infrastructure costs for the pile-supported Pier 76 have not yet been analyzed or estimates prepared. Many bulkhead areas adjacent to identified projects have not yet been surveyed or their associated repair costs assessed. Costs assume a phasing schedule with annual escalations. The Governor's proposed \$50 million budget allocation is included. Air Rights source of funds includes two pending transactions not yet approved. Projects denoted with asterisk* are presently under construction. Other than Pier 40, other major capital reconstruction projects are not listed.</p> | | | | | | | |

As depicted above, funding for approximately \$120.5 million of the estimated costs to complete the park is yet to be determined or identified. The Trust is actively pursuing government and private sources, and additional air rights transactions, to fill this funding gap.

Additional Information

The Park's mandate under the Act is broader than creating and operating park space; the Trust also provides other benefits to New York City and New York State. For example, the Act designates the approximately 400 acres of Park waters as an "Estuarine Sanctuary," and required the Trust to work closely with the NYS Department of Environmental Conservation on an Estuarine Sanctuary Management Plan (ESMP) that would provide for: 1) conservation of marine resources; 2) environmental education and research; 3) public recreational use of the water section; and 4) authorized water dependent uses.

In the years since the ESMP was finalized, HRPT, working closely with the New York State Department of Environmental Conservation, has pursued all of these areas. Aside from making substantial progress on providing the public access to the river described under the Act and above, the Trust has also excelled in the realm of environmental education.

Over the last five years, Hudson River Park has emerged as a leader in New York City's environmental education field, hosting 400+ education programs and serving over 27,000 children and adults annually. Using the Hudson River waterfront as a classroom, Park educators showcase the River's value and wildlife through an extensive roster of K-12 field trips and public stewardship programs. Educating a diverse student population is a high priority; over 60% of the schools served each year have Title One status, and the majority of students live in NYC's outer boroughs. Staff also created New York's only science festival devoted specifically to marine science and coastal waters. This free annual festival includes over 40 participating universities, scientists and advocates and has served approximately 6,500 guests each year since its implementation in 2014.

The Park has also developed river research and community stewardship programs that contribute to scientific understanding and enhancement of the Park's estuarine sanctuary. In the last several years, staff members have taken a leadership role in two long-term research initiatives relating to microplastics and the role of oysters as agents for ecological health in the Park's pile fields. Hudson River Park has installed two "Hudson River Environmental Conditions Observing System" stations, and directly provides quality assurance for local data that informs a regional database on river conditions. We also facilitate other research on a broad range of matters ranging from enterococcus to benthic surveys to current profiling to fin fish.

In the coming year, staff will continue the process of updating the ESMP, including continuing to meet, discuss and review Sanctuary goals with the Technical Advisory Committee (TAC) formed in 2017. Staff expects to complete the ESMP in Fall 2018, following additional TAC and broader public review.

Another area of engagement is the Trust's annual free summer programming series. In 2017, over 61,000 people from New York City and the tri-state area came to the Park to enjoy a total of 116 family fitness, music, movie, and dance events. These 116 free events took place throughout the Park and included favorites such as Hudson RiverFlicks, Sunset Salsa, and the 18th Annual Blues BBQ, which was attended by more than 10,000 people.

In 2017, the Trust also experimented with extending the programming season into Spring and Fall. Highlights include the afternoon Hudson RiverKids sessions that were very well attended by Tribeca neighborhood families, as well as Healthy on the Hudson fitness classes.

Governance

As provided in the Act, Hudson River Park is a joint venture between the City and State of New York, with a unique operating framework relative to other parks. The Act also created the Trust as a New York State public benefit corporation mandated to design, construct, operate and maintain the Park. The Trust is

governed by a 13-member board: five members appointed by the governor, five members appointed by the mayor and three members appointed by the Manhattan borough president. The Act specifies that actions requiring a vote of the board require the affirmative vote of eight members in order to pass. As a public benefit and 501(c)(3) corporation, the Trust is exempt from City, State and federal income, franchise, and sales taxes.