



Hudson River Park Trust

FISCAL YEAR 2016 FINANCING PLAN JANUARY 30th 2015

Financing Plan is available at Trust main office and on its website
<http://www.hudsonriverpark.org/about-us/hrpt/financial-and-budget-information/>

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FINANCING PLAN FEBRUARY 1, 2015

INTRODUCTION

Stretching along the west side from just north of Chambers Street to West 59th Street, Hudson River Park has become one of the premier parks in the city and the state – and one of the most popular. It not only serves each neighborhood along its four-mile border, 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. Attracting 17 million visits a year, Hudson River Park offers more waterfront access and amenities than any park in this harbor city.

In addition to being an extraordinarily popular local asset, Hudson River Park also makes a substantial contribution to the region. It fills in a previously missing link in the Hudson River Valley Greenway, allowing for waterfront access along the length of Manhattan’s west side by connecting it with other parks to the north and south – Riverside Park South and the Battery Park City esplanade.

The park includes a dozen completed public park piers, acres of landscaped walking paths and upland areas, four dedicated non-motorized boat houses, two mooring fields, four playgrounds, four dog runs and some of the most popular and heavily used athletic fields in New York City. Within its borders are several water-dependent municipal uses as well as select commercial facilities that support the operating and maintenance of the park through rental income. City, state and federal funds have built approximately 70 percent of the park, and the park is entirely self-supporting on an operating basis – the first of its kind in the city. However, operating costs will increase as the park is further built out, and emerging and future capital maintenance needs are largely unfunded.

In recent years, City and State capital funds decreased as a result of economic conditions, and the Hudson River Park Trust (the Trust) has searched for ways to complete and care for the park consistent with the City and State vision for the west side. The park and its community continue to work with the City and State annually to identify funding for continued park construction. In addition, park leaders, in partnership with government and community, have explored many additional options to secure the park’s financial standing including private and foundation fundraising. The inclusion of private fundraising was the subject of a prior “Significant Action” (as defined under The Act) as affecting the financing plan and formalized as a fundraising partnership with Friends of Hudson River Park. The Trust has sought additional private fundraising opportunities, when available, consistent with the Trust’s own 501(c)(3) status and mission.

PARK HISTORY

Hudson River Park is the result of long-term efforts by the City and State to transform the formerly industrial Hudson River waterfront into a network of high-quality public open spaces connected by a pedestrian esplanade and the Route 9A bike path. The park was created by New York State legislation, the Hudson River Park Act, in Chapter 592 of the Laws of 1998 and as amended in 2013. The Act identified the park's boundaries, specified permitted uses on a pier-by-pier basis, established the park's operating framework, and created the Hudson River Park Trust as a public benefit corporation and 501(c)(3) with the mandate to design, construct, operate and maintain the park and endeavor to be financially self-supporting to the extent practicable.

The State and the City own the underlying park property and the Trust operates with each under a long-term lease. The City, through its Department of Parks & Recreation, owns the piers and upland areas from 35th Street to the park's northern boundary of 59th Street extended. The State, through its Office of Parks, Recreation and Historic Preservation owns the comparable areas from 35th Street south to the northernmost border of the Battery Park City seawall as extended easterly. The State, through its Department of Environmental Conservation, owns the lands under water throughout the park, which are further designated as an estuarine sanctuary under the terms of the Act. Hudson River Park includes all of the piers, upland areas and lands under water between the United States Pierhead Line and the westernmost edge of the Route 9A bikeway within the established northern and southern boundaries except for the following properties: Pier 78, which is privately owned; and the Piers 88, 90, 92 and 94, which includes the Passenger Ship Terminal, and their associated upland areas, which are owned and operated by the City of New York. In addition, Pier 76 is currently excluded from the park's boundaries until such time as the City is able to relocate the existing New York City Police Department tow pound.

DESCRIPTION OF COMPLETED PARK FEATURES

The park was conceived and has always operated as both a regional public open space and as a neighborhood park. Along its north-south axis, it is connected seamlessly by the Route 9A bikeway; in most areas, the park also now includes a completed waterside esplanade. Multiple and distinct neighborhoods border this expanse, each of which has claimed a piece of the park as its local section. Bikers, joggers and kayakers use the park in its full length, while New Yorkers from other neighborhoods and tourists use it as a destination park, sometimes travelling from section to section depending on uses.

- **TRIBECA** | Reflecting the needs of local residents, the park's Tribeca section combines active programming with beautiful shoreline landscaping. Centered around Pier 25, the Tribeca section features a skate park, beach volleyball courts, basketball and tennis courts, mini-golf, a large playground with water features, a turf field, a dog run, a sailing school, a town dock, a non-motorized boat house offering free kayaking, and berths for historic vessels. Balancing the active space are grassy lawns, shaded decks, two food

concessions, a comfort station and a restaurant scheduled to open in 2015. This part of the park was built with City and State funds together with \$72.6 million from the Lower Manhattan Development Corporation (LMDC), which is funded through Community Development Block Grants from the US Department of Housing and Urban Development, and additional federal funding (obtained by Congressman Jerrold Nadler). In addition, the marine structure of Pier 26 along with the platform connecting Piers 25 and 26 has been fully rebuilt at a cost of approximately \$24.5 and a combined non-motorized boathouse/restaurant building has also been constructed. However, the bulk of the pier is not yet available for public access pending additional funding as further described below.

The Tribeca park section has opened in phases, with the largest section including Pier 25 opening in November 2010 and the Pier 26 boathouse opening in July 2014.

- **GREENWICH VILLAGE** | The Greenwich Village section of Hudson River Park contains three distinct areas.

Pier 40: While Pier 40 is a designated “park/commercial” pier under the Act, by statute at least 50 percent of its footprint must be devoted to active and passive public open space. Accordingly, the Trust constructed several artificial turf ballfields in the Pier 40 courtyard in 2005 to supplement the previously built rooftop field. The public ballfields are a vital active open space amenity to the Lower Manhattan community and beyond, serving over 200,000 users each year.

West Village: North of Pier 40 to Horatio Street are three reconstructed piers, the first to be built after the overall park was approved; this area opened in 2003. Reflecting local input during the design process, Pier 45 is used for passive recreation and has a large lawn used heavily by sunbathers and as a gathering location. Pier 46 has an artificial turf area used for informal play, and Pier 51 features a playground with extensive water features. The upland includes a food concession, two comfort stations, a display fountain and expansive lawns and plantings.

Meatpacking: The Gansevoort Peninsula and Pier 54 are not yet complete.

- **CHELSEA** | The largest contiguous open space within Hudson River Park, Chelsea Cove features three piers (Piers 62, 63 and 64) and a large central lawn. Spectacular flower gardens, a carousel featuring Hudson River animals, a California-style skate park and a landscape sculpture garden are some of the other unique destinations in this section, which opened in 2008 and 2010 through funding provided by the State and City.

Just north are Pier 66, Pier 66a and the park’s habitat area. Pier 66 houses another non-motorized boat house. Pier 66a is a historic resource, the Baltimore and Ohio Railroad Float Transfer Bridge, which also serves as home base to Pier 66 Maritime, an income-

generating restaurant concession featuring historic vessels. The upland area from West 26th to 29th streets is planted with native flowers and plants that provide a beneficial habitat for birds and insects and is the location for public education activities conducted by Trust staff.

Within the Chelsea neighborhood are two inland park areas that are also part of Hudson River Park. The 14th Street Park is bounded by Tenth Avenue and West Street and is used primarily for passive recreation. Chelsea Waterside Park is located between Eleventh and Twelfth Avenues between 22nd and 24th streets, and includes sports fields, a dog run and a playground with extensive water features. Both of these parks were initially built by the New York State Department of Transportation as part of the Route 9A project. The Trust has replaced several components of Chelsea Waterside Park over the past decade, including its playground and the sports field, due to normal wear and tear.

- **MIDTOWN** | Pier 84 and Pier 86 are the only completed portions of the park in the Midtown district. Pier 84 opened in 2006 and has amenities for both local residents and the large number of tourists who frequent this section for its many maritime uses. The pier hosts many free events and has a restaurant, children’s play area, an interactive fountain and non-motorized boathouse. Pier 86 is a public open pier that provides access to the Intrepid Sea, Air & Space Museum, a park tenant. This pier was rebuilt by the Trust primarily with funding from the US Department of Housing and Urban Development and the City of New York.
- **CLINTON** | The northernmost section of the park, Clinton Cove, includes a large lawn bowl, a boat house and a get-down at the southern edge. In addition, as at Pier 26, the marine structure of Pier 97 has been fully rebuilt at a cost of approximately \$18.3 million, though the pier is not yet available for public access pending additional funding as further described below.

OVERVIEW OF PARK’S FINANCIAL STANDING

To date, completed areas of the park have been built almost entirely with government funding.

When the Act was passed, the City and State each initially committed \$100 million in capital funding towards the park, but each has now exceeded that original commitment.

From 1999 through Fiscal Year 2010, the city contributed \$163 million, and the state contributed \$162 million. Within that period, for several years running, the City and State each committed \$20 million per year, allowing the Trust to build most of the now completed park sections in Greenwich Village, Chelsea, Midtown and Clinton. By mutual agreement, the City and State have matched each other’s capital allocations. From year to year, the Trust does not

know the amount of its annual allocation until the State budget is passed; typically, the City follows with an equal amount when its budget is approved three months later.

Beginning in FY 2011, annual capital allocations from the City and State budgets began to decline significantly, so that for several years, the combined City and State capital allocations to Hudson River Park totaled from \$3 million to \$6 million, depending on the year. As of July 2014, the combined total capital construction allocations from the City and State for new park construction are approximately \$362 million.

Federal funds have also contributed significantly to the park's construction. After September 11, the Lower Manhattan Development Corporation, which is funded through Community Development Block Grants from the US Department of Housing and Urban Development (HUD), approved a total grant of \$72.6 million for construction in the Tribeca park section. Separately, Congressman Nadler was able to secure a \$4.8 million federal transportation grant that was also used in Tribeca. In Clinton, the Intrepid Sea, Air & Space Museum was able to secure \$30.52 million from HUD for the Trust to reconstruct Pier 86, which is a publically accessible pier.

In addition to these sources, a variety of other government funding has been allocated for various park areas and projects:

As part of a legal settlement between Friends of Hudson River Park, the Trust and the City, the NYC Department of Sanitation provided approximately \$17 million for Pier 97 (now expended) and has to date provided an additional \$18 million dedicated to the future improvement of the Gansevoort Peninsula. The Trust used these settlement funds to rebuild almost the entirety of the piles and marine platform at Pier 97; the Gansevoort funding is reserved for future park design and construction at that location.

The Trust has received a pledge of \$5 million from the Port Authority of New York & New Jersey, \$4.75 million via New York State Department of Environmental Conservation, and \$335,000 from the NYS Department of State towards construction of the planned estuarium on Pier 26 – a river research and education facility.

Over the years, various New York City agencies have requested that the Trust perform construction on their behalf within the park footprint and provided funding for this work. This includes approximately \$21 million from the NYC Fire Department to rebuild its pier and firehouse on Pier 53 at the north side of the Gansevoort Peninsula, work for the NYC Department of Design and Construction at Pier 76 for use by the NYPD Mounted Unit, and for the NYC Department of Environmental Protection for projects at multiple locations. These projects have been separately funded by the City.

Trust has cemented a fundraising partnership with Friends of Hudson River Park. For the first decade of the park's existence, the Trust and Friends worked together informally to promote the park and secure funding and political support. For example, through litigation intended to

enforce the Act's mandates respecting municipal use relocations, Friends was able to secure approximately \$17 million for Pier 97 which was used to rebuild the pier and another \$18.1 million reserved for construction of the Gansevoort Peninsula once the current Sanitation uses are relocated.

In November 2014, the Trust announced a potential partnership with the Diller-Von Furstenburg Family Foundation to rebuild Pier 54. New York City has committed \$17 million towards this project if it is approved by the Trust's Board of Directors following the ongoing "Significant Action" period required under the Act. The contribution by the Diller-Von Furstenburg Family Foundation through the vehicle of a tenant lease is expected to exceed \$112 million.

The State, through federal transportation funding (the Congestion Mitigation and Air Quality Improvement Program, or "CMAQ"), will provide approximately \$18 million to fund a separate project to construct a new north-south esplanade, improve the bikeway and create a bus stop for future public transit use between Bloomfield Street and 14th Street across from the Meat Packing District.

Last, the Trust has been the beneficiary of a number of discretionary grants from State and City elected officials for particular projects. The largest were FY14 allocations of \$4.3 million from the City Council and another \$500,000 from the Manhattan Borough President to support urgent reconstruction of a portion of the Pier 40 roof. Currently, the Trust has additional grant allocations from Manhattan Borough President Gale Brewer, former Borough President Stringer, Council Member Corey Johnson, Council Member Margaret Chin, and former Council Member Quinn for capital repairs and improvements to several existing park amenities such as the Tribeca tennis courts and the Leroy Street dog run.

Reserve Fund

The Trust has maintained a "reserve fund" from funds originally held by the New York State Department of Transportation and transferred to the Trust when the park was first created. Intended as an endowment for capital repairs on public park piers, the reserve had never been touched prior to 2011; in fact, it had grown as a result of surplus operating revenue generated within the park and earnings from investments when interest rates were much higher.

In January 2012 (FY13), the Trust's Board of Directors approved a \$6.2 million contract with funding from the Trust's reserves to reconstruct 19 percent of the Pier 40 roof. The repair was needed to preserve parking areas and thereby maintain the Trust's revenue stream. Less than a year later, additional urgent repairs began on stairwells, plumbing, code and other required work at Pier 40. In addition, the Trust initiated an additional \$5.3 million contract to repair another 20 percent of the roof. A portion of this expenditure is to be funded from City Council and Borough President allocations administered by the NYC Economic Development Corporation and NYC Department of Parks. In total, urgent capital repairs to Pier 40, not

including those necessitated by Super Storm Sandy and supported by FEMA, have exceeded \$15 million.

In FY15, \$3.2 million has been allocated from reserves for more Pier 40 work involving sanitary systems, fire protection systems, safety lighting and other similar improvements. In addition, approximately \$11.2 million in work related to recovery from Super Storm Sandy will occur at this location this fiscal year.

Currently, between Tropical Storm Irene and Super Storm Sandy, the Trust has contracted for storm related repairs totaling approximately \$38 million throughout the park. The Trust expects to be eventually reimbursed by FEMA and New York State for most of its financial outlays for qualified Sandy and Irene repairs; however it must first contract and pay for the work using funds from its reserve.

DETAILED CAPITAL NEEDS

The following list details the outstanding capital needs in the park, starting from the south. All costs are represented in 2015 dollars and do not include inflation since it is difficult to predict when construction would occur.

To estimate park landscape costs, actual construction bids and costs for the completed Tribeca park section were examined, escalated to 2015 dollars, and then generally applied on a per square foot basis to each incomplete park area. Based on actual costs for Tribeca, approximately 26 percent of each budget is assumed for park utilities (electric, plumbing and irrigation). The budget for park vegetation (turf, trees, shrubs and mulch) accounts for approximately 2 percent of overall costs, while that for amenities (furniture, playgrounds, courts, fences, etc.) accounts for another 16 percent. The balance of 56 percent includes everything else: demolition, site clearing, temporary fencing, excavation, fill, structural soils, landscape soils, foam, walls, pavement, railing etc.

Budgeting for small park buildings (concessions, public restrooms, park maintenance areas) relied on the earlier contracted work for the West 44th Street Park Building and were then escalated to 2015 dollars. Even though the Trust has built additional park buildings more recently, bids for the West 44th Street Building were assumed to be most relevant for estimating costs of future park buildings chiefly because aside from the future estuarium on Pier 26, no future buildings are projected to be located on piers. Buildings on piers have no foundations as they sit on pier piles, while buildings on park upland areas do. Historically, costs for park buildings are also high, mostly because their small size (approximately 3,000 to 5,000 square feet) does not allow for efficiencies in construction. In addition, the Trust imposes tight parameters on contractors to minimize disruption to surrounding park and bikeway areas, and is also subject to Wicks Law for procurement. Finally, building costs include utilities needed to serve the piers, which in most cases include connections to existing utilities located at some distance from the buildings themselves.

Budgeting for marine repairs was based on two sources. For work entailing sheetpile bulkhead and/or rip rap, the Trust relied on costs for similar recent bulkhead repairs between Piers 79 and 81. Estimates for work involving concrete in-water platforms relied on actual pricing for Pier 97.

Pier 26

In the park's southern-most section in Tribeca, the opening of Pier 25 at N. Moore Street has been wildly successful. However, just 50 yards to the north sits an open concrete pier with no funding earmarked for its completion.

Pier 26 measures approximately 132,000 square feet including the platform area connecting Piers 25 and 26. The piles and platform have been fully reconstructed, and landscaping and a new building housing a boathouse and restaurant have been completed on a portion of the pier and upland measuring approximately 8,500 square feet. Railing was installed around the pier perimeter to enable it to be used on occasion for interim events. However, the unfinished portions of the pier do not yet have lighting or other utilities, a finished walking surface, or any landscaping.

As noted above, the Trust has secured approximately \$10 million towards construction of a future estuarium building on this pier. In December 2014, the Trust announced plans to proceed with negotiations with Clarkson University, along with its institutional partners the New York Hall of Science and Hudson River Sloop Clearwater, to develop a design, fundraising and operating plan for this facility. It is expected that additional funding will be needed to build the estuarium building, and the Trust will be working with Clarkson University to develop a primarily private fundraising strategy for this balance.

Excluding the estuarium, the estimated capital need to complete the pier and platform between Piers 25 and 26 is \$24.9 million. There is no design or cost estimate yet for the pier, so the estimate has been achieved using the following assumptions:

The unfinished area of the pier, platform between Piers 25 and 26, and upland totals 119,564 square feet. Of this amount, 22,300 square feet is on land ("the upland") and 97,264 square feet is the pier. In addition, the pier consists of another 12,000 square feet; since it is assumed that the estuarium will occupy this area, the estuarium footprint has been deducted from the overall unfinished area of Pier 26.

Of the estimated \$24.9 million total, approximately \$18.4 million is assumed for construction. Design costs representing approximately 20 percent of this amount (\$3.7 million) and construction management services at approximately 15% (\$2.8 million) of the total are in addition.

Pier 40

Please note that all referenced measurements to Pier 40 in this paragraph are based on a Trust engineer's measurement of original Pier 40 design documents dated February 2, 1960.

The Park's future is particularly jeopardized by the condition of Pier 40. Pier 40 is the largest structure in the park, measuring approximately 810 feet by 810 feet plus a finger pier structure on the southwestern end. In total, Pier 40's ground level footprint measures approximately 671,294 square feet, or just over 15 acres. The current approximate space and use distribution of the exterior and interior areas of the pier is: (1) 331,000 square feet of recreational and public open space, the signature feature being a 163,893 sf (3.76 acre) courtyard field; (2) 735,855 square feet of interior space accommodating Trust offices, parking for 966 vehicles as of August 2014, assorted other small scale not-for-profit, government and commercial tenancies; (3) 240,000 sf of roof deck parking for 537 vehicles; and (4) recreational boating uses along the south and commercial vessel use along the northern berths. Not included in the distribution of uses listed above are parking areas that the Trust has had to close due to construction activity or falling debris from the roof, or spaces closed while ongoing roof reconstruction occurs. There are also additional areas of Pier 40 where water leakage and other structural damage render the spaces unusable, though these are included in the 735,855 square foot interior total.

Pier 40 is also reaching the end of its useful life. In its several decades of operation prior to the Trust's creation, the pier never received significant capital repairs required to keep it in good condition. As early as 1987, cars parked at the pier were removed by the Port Authority of New York and New Jersey as a result of its poor structural condition. Severe deterioration of the supporting pier piles and the current pier shed structure now threaten the pier's entire operation both as a sports facility and a revenue generator for the park. Repairs to nearly half of the roof, at a cost of more than \$12 million to date, have forced isolated closures to areas of the parking garage, therefore decreasing revenue while the repairs are under way. Far worse, as confirmed by an underwater engineering inspection completed in March 2014, the piles supporting Pier 40 require approximately \$99 million in repairs; this comprehensive estimate, which includes design, surveys, dives, and escalation, assumes that repairs commence within two years and take place over a period of seven years. This repair cost estimate and methodology is currently being independently reviewed by a marine engineering team.

In addition to the pile repairs, Pier 40 needs nearly another \$25 million to complete various building repairs. These include repairing the remaining half of the roof (approximately \$14 million); replacing the pier's sprinkler system (\$2 million); miscellaneous electrical, plumbing, paving and other repairs (approximately \$1.6 million), and replacement of existing ballfields estimated at approximately \$5 million for the courtyard fields and another \$500,000 for the rooftop field. The Trust has recently hired a designer to plan for field replacement pending the availability of funding and an assurance that the support piles will be timely repaired.

Gansevoort Peninsula

Currently operated by the NYC Department of Sanitation, the Gansevoort Peninsula will be turned over to the Trust following the garage and salt shed relocation to the new Sanitation Spring Street Garage in 2015, and the required remediation of existing soils. It is estimated that the site will be available for park construction in 2017.

Separately, Sanitation may elect to build a new marine transfer station at the western edge of the peninsula, subject to a future agreement between the City and State to which the Trust is not a party. If this project were to proceed, Sanitation would require a large elevated service road for trucks along the north side of the pier.

At 5.6 acres, the Gansevoort Peninsula will become one of the park's largest recreational spaces. The potential for this part of the park to enhance the lives of residents in the Village and beyond is massive. The area could include sports fields and activities for all ages as well as passive recreation areas. The peninsula also features a naturally occurring beach that provides an opportunity for both river access and scientific study, depending on the ultimate design.

Including the \$18.1 million currently funded for future park construction in this area, the estimated capital need to complete the park on the Gansevoort Peninsula is \$62.1 million, as follows:

The Gansevoort Peninsula occupies an area measuring approximately 247,225 square feet. While there is no design at this stage for this area, early planning assumed that a small building serving park users would be included. The building is estimated at approximately \$10.3 million. Landscape treatment for the peninsula, which may include a "beach" concept at the southern edge, is estimated at \$42.9 million. In addition, rip-rap and sheetpile bulkhead repairs on the north side of the peninsula are also projected; these are estimated at \$9.0 million. Please note that all costs include projected design and construction management services of 20 percent and 15 percent respectively.

Upland Park Connection Between Gansevoort and Pier 57:

As noted above, working with the State, the Trust has secured federal CMAQ funding to build a pedestrian walkway and improve the existing bikeway in this location. Planning is under way with the New York State Department of Transportation. The total project cost including design and construction is projected at \$22.5 million, of which the CMAQ allocation would total up to \$18 million and the Trust would be responsible for a 20% match, or \$4.5 million.

Pier 54

The Trust is currently conducting a public review and comment period with respect to a donation using the vehicle of a lease between the Trust and Pier55, Inc., a not-for-profit corporation established by the Diller –von Furstenberg family, that – if approved – would obligate Pier55, Inc. to contribute over \$112 million for the reconstruction of Pier 54 (to be located between the existing Pier 54 footprint and the Pier 56 pile field) and additional funding for cultural program and the operation and maintenance of the completed pier. The draft

lease/donation agreement contemplates that Pier55, Inc. would redevelop the new pier as a public open space consistent with the Act that would also serve as a cultural events space within the Park.

The current pier's piles have almost entirely failed, and the Trust has already had to close the majority of Pier 54 for safety reasons, depriving the community of open space. If the donation -- which requires a legislatively mandated "significant action process" including public review and a public hearing by the Trust before it could proceed -- were to occur, the Trust would be responsible for committing \$17.5 million towards its construction. The City has committed \$17 million of this amount, with the balance to be provided by the Trust. The rest of Pier 54's construction costs would be paid for by the private donor as a contribution if this project is approved.

Hudson Yards Connection

A key hub in the park, especially as new residential buildings come online on the far west side, the Hudson Yards Connection across the street from the Javits Center is part of the rapidly developing Hudson Yards neighborhood. The area requires bulkhead stabilization, new railings, an esplanade, lighting and improved plantings. There is also opportunity for small-scale active recreation on the upland areas.

The upland area from West 29th Street to West 35th Street measures approximately 143,400 square feet. Early planning has assumed that a small building measuring approximately 3,000 square feet serving park users would be included at West 34th Street. The building is estimated at \$6.3 million, inclusive of design and construction services. Landscape treatment for the balance of the area is estimated at \$30.0 million, also including design and construction services. No marine construction is anticipated in this location at this time.

Pier 76

Pier 76 presently houses the NYPD's tow pound and mounted horse unit. The recent amendment to the Hudson River Park Act ensures that upon the relocation of these uses, the entire six-acre pier will be incorporated into the park, with 50 percent of the area dedicated to public open space. This site has special relevance for the future residents of the 13,500 new units projected for Hudson Yards. The remaining 50 percent of the pier will be developed as a revenue-generating node to contribute to the park's maintenance and operations budget.

Pier 76 itself measures approximately 245,865 square feet, plus there is an additional 55,350 square feet of upland area. Since only 50 percent of the pier would be developed for parkland, the total combined park area is assumed to measure 178,282 square feet. The demolition cost of the 129,000-square foot building is estimated at \$6.7 million. Since the Trust does not operate this pier currently, it is difficult to predict pile condition; we have assumed that \$11.8 million could be needed for pile repairs, but this estimate is for preliminary budget purposes only and could vary enormously. Costs to construct the park areas are estimated at \$37.3 million inclusive of design and construction management.

Midtown Gateway / Maritime Entertainment District

The Midtown Gateway centered around 42nd Street is one of the park's busiest sections, receiving 4.2 million visitors per year. The area includes many 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 the northern end. Pier 84, at the center of it all, is a dynamic open space with a plaza and fountain, a restaurant, bike rental concession, boathouse and classroom, a community garden and a dog run. The pier also hosts many of the park's summer concerts.

Much needed in this area for pedestrian flow and safety is an improved waterside esplanade to link the many boating and recreational activities and provide a gateway entrance at 42nd Street. Improvements are also required to reduce the current traffic conflicts between cyclists, pedestrians and vehicles entering the area.

The Midtown Gateway area extends from the northern edge of Pier 79 to Pier 84 and measures approximately 102,149 square feet. The Trust does not anticipate a need for bulkhead repairs or another building in this location. The preliminary construction estimate is \$21.3 million inclusive of design and construction management.

Pier 97

The park's northernmost public open pier, Pier 97 at 57th Street, is slated to become a public recreation pier that will serve the expanding residential neighborhood of west Clinton. The Trust has completed the piles and platform of the pier to its 50-year standard (similar to Pier 26 in Tribeca) thanks to funds secured by the Friends of Hudson River Park through the Department of Sanitation, yet the program of the pier remains incomplete and unfunded.

In addition to the pier, the upland park area connecting the completed portion of Clinton Cove with the esplanade at Pier 98 is unfunded. A small building will be required to serve as a utility hub serving park uses in this zone. If feasible, given the current Con Edison operation at Pier 98 and the Sanitation use at Pier 99, an over-water pedestrian platform will be built to improve pedestrian circulation in this zone in accordance with existing regulatory approvals.

The estimated capital need to complete all these components is \$31 million, as follows:

The pier itself measures approximately 79,620 square feet, and the upland measures approximately 25,954 square feet, bringing the total unbuilt park area to 105,574. Preliminary designs include a small building/utility hub estimated at \$7.3 million. Two overwater platforms measuring nearly 17,000 square feet combined and extending north to 59th Street are estimated at \$3.6 million. Finally, park finish costs to complete Pier 97 and to build the upland landscape extending existing Clinton Cove park areas to the southern edge of Pier 98 are estimated at \$21.2 million. Design and construction management costs are included.

Hudson River Bulkhead

Hudson River Park holds up the west side of the city. When planning for the park was undertaken two decades ago, no one considered the additional cost of maintaining a park *in* the water, not just near the water. Essential capital maintenance on bulkheads and other legacy marine assets -- i.e., those not yet fully reconstructed for park use -- are estimated to cost approximately \$14 million over the next 10 years. For example, a length of historic bulkhead near Morton Street is visibly moving westward into the river as it separates from the upland. The Trust is currently working with engineers to find the cause and then a design solution, and will need to allocate approximately \$6 million before a serious structural failure occurs. As further evidence of the need of capital repair, Tropical Storm Irene caused a bulkhead collapse between 41st and 43rd streets which cost over \$8 million to repair.

While it is difficult to predict the maintenance needs of this four-mile structure, which in some areas has been standing for more than 150 years, based on the two failures cited above, the Trust has assumed that every 5 years it may need to repair sections at an average cost of approximately \$7 million. However, it should be understood that the design and repair solutions for various bulkhead types and sections could vary significantly.

Public Park Pier Capital Maintenance

Another future cost requiring advance financial planning is ongoing pile maintenance at park piers. During its planning phase, the Trust's Board of Directors established a 50-year build standard for new park pier structures. Nevertheless, even these piers must be regularly inspected, and over time, repairs will be needed to ensure the piers remain structurally sound beyond their original useful life cycles. Park planners must responsibly anticipate this need, setting aside regular funding once immediate needs are addressed to avoid giving the next generation of park operators a string of failing piers and the same ticking clock that we now face at Pier 40.

General Park Capital Maintenance

Now that sections of the park have been in operation with very heavy usage for more than a decade, routine capital maintenance costs of the sort required at every public park are also increasing. Current examples of required repairs include refurbishing the Leroy Street Dog Run, resurfacing the tennis courts south of Pier 40 and the basketball courts at Chelsea Waterside, and reinstalling new artificial turf on the Pier 40 courtyard fields. The Trust must identify a sufficient and consistent revenue stream to address these needs. In addition, waterfront park construction has several unique attributes that differentiates it from inland park construction and adds to maintenance costs. Construction materials and finishes such as railings, lighting, underground and above grade infrastructure not only must withstand heavy use by millions of park visitors, but also the eroding effect of brackish water and moist sea air. Completed park sections must also be designed to withstand periodic flooding events, forceful wave action, and even seismic events.

FUNDING SUMMARY

The Trust estimates that, excluding Pier 54, Pier 40 and Pier 76, the total cost to complete the park is approximately \$188 million (\$2015). The cost of Pier 54 and the adjacent esplanade is estimated at a further \$152 million, Pier 40 pile and building repairs at an additional \$124 million, and Pier 76, the timing for which is uncertain, approximately \$55 million. Of these costs, funding for approximately \$214 million is committed or in-hand as restricted funds from City, State and private sources.

CONCLUSION

By nearly every measure, Hudson River Park has transformed the lower west side of Manhattan. In 15 years, this stretch of the city's waterfront has gone from a series of decaying piers and crumbling bulkhead separated from the city's residents by chain link fence to a network of vibrant public open spaces hosting dozens of recreational activities. Millions visit the park each year. Residents along the park's five distinct neighborhoods barely remember a time without the park's esplanade and green spaces.

In addition, the park in many ways can monetize its value to the city and state. Over 3,000 jobs are within the park's boundaries. Over 100 residential buildings from Tribeca to Clinton have sprung up along the west side in the past decade, using their proximity to the park as an amenity and sales pitch. Over \$4 billion in new construction has been invested along the park corridor since the first section of the park opened in 2003, and several additional projects are now under construction including New York City's largest residential building. Properties within one quarter mile of the park contributed \$1.04 billion in property taxes to the city in 2012 – about 9 percent of the total property taxes collected in Manhattan in 2012. Tourists coming to the park's Midtown Maritime District spend millions a year at the city's waterfront attractions, including Circle Line, World Yacht and the Intrepid, among others.

Yet the park is not completed, and could in many ways serve its users better. For example, as the park's success has brought more residents and visitors to the park, demand for more park land increases. At key hubs where nearby development is most robust – Clinton and Tribeca, for example – park piers sit partially completed yet with limited public access until significant new funding can be secured. The five acres of potential park land off the coast of Greenwich Village at the Gansevoort Peninsula could provide active and passive open space for thousands of children and adults who are currently desperate for playing fields.

Both the City and State have made generous capital contributions to the park, especially in its first decade, which cannot be understated or undervalued. However, as that funding has decreased over the past several years, and as the need for a long-term solution to funding critical capital repairs has become more imminent, park leaders have had to explore other methods for increasing capital funds. By working together with the City, elected officials, and local residents, we believe we can collectively achieve the necessary balance between strengthening the park and preserving the neighborhoods we all value.