

Realizing the Benefits  
— of —

# Hudson River Park

FRIENDS

*of Hudson River Park*



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*This report was prepared by Regional Plan  
Association for Friends of Hudson River Park*

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Photo: Hudson River Park Trust

# The Promise of Hudson River Park

By the 1980s, Manhattan's Hudson River waterfront was largely a troubled landscape of barbed wire and decaying warehouses. Faced with sharp declines in maritime commerce, New Yorkers were given an opportunity to reimagine the city's post-industrial waterfront.

Through the efforts of the West Side Task Force (1986), the West Side Waterfront Panel (1990), the Hudson River Park Conservancy (1992), and a historic agreement between New York City and New York State (1998), New Yorkers committed to establishing a new waterfront park on the Hudson River.

Today, at around seventy percent complete, Hudson River Park offers visitors iconic parkland, boat launches, sports facilities, and greenways. The park provides our region with a major public amenity and anchors the growing neighborhoods of Manhattan's Far West Side.

Though the park sustains its operations and maintenance costs through rents, concessions, grants, and donations, the park's capital funding comes almost entirely from government appropriations – a source of funding that declined considerably following the Great Recession.

Building off a previous 2008 study, *The Impact of Hudson River Park on Property Values*, this report shows that the critical investments made to build and sustain Hudson River Park have already generated significant dividends for New York City and New York State – beyond simply increasing property values – and helped to transform the entire Far West Side of Manhattan.

This report illustrates the park's influence on local and regional economies, employment, tourism, development, property taxes, property value, and demographics – and makes the case for continued investment in completing the construction of Hudson River Park.

**It is critically important for the city, the state, and private citizens to recommit to the full realization of Hudson River Park – as envisioned by the Hudson River Park Act of 1998 – and to finally complete the park over the next decade.**

**Through steady and substantial investments to complete Hudson River Park, our region can continue to reimagine its urban waterfronts for the next generation.**



Photo: Julienne Schaar

# Realizing the Benefits: Executive Summary

- 1 Hudson River Park has a strong return on investment.** In addition to creating a world-class public amenity, investments of \$720 million in the park have secured more than \$1.121 billion in indirect economic benefits for New York City – and \$1.425 billion for New York State – from 2000 to 2015.
- 2 The pace of new construction near the park is robust.** The total property value of all new development in the Hudson River Park neighborhood (the area within a quarter mile of the park from Chambers St to 59th St) constructed from just 2000 to 2014 alone (about \$8 billion) represents a fifth of the total property value of the entire neighborhood today (about \$40 billion).
- 3 The neighborhood is leading Manhattan in new development.** The Hudson River Park neighborhood's growth, in terms of new square feet of real estate, represents more than a quarter of all new development in Manhattan built from 2000 to 2014 or about 41 million square feet, which is primarily split between mixed use (17m sq ft), commercial (15m sq ft), and residential (7.5m sq ft) uses.
- 4 Hudson River Park is bolstering New York City's bottom line.** From 2000 to 2015, property tax contributions within the Hudson River Park neighborhood, currently totaling about one billion dollars, are growing 9% faster than in the area below 59th St in Manhattan and 28% faster than Manhattan as a whole.
- 5 The number of families and seniors near the park is growing.** From 2000 to 2014, the Hudson River Park neighborhood has grown in every population category. With strong gains in youth (+66%) and seniors (+112%), the neighborhood's total population has grown quickly, from 46,400 in 2000 to 71,700 residents as of 2014 (+54%).
- 6 New businesses are taking root near the park.** From 2002 to 2013, in addition to steady growth in traditional sectors like finance (+41%) and professional and scientific services (+75%), employment has grown quickly in emerging sectors – those sectors that each held less than 4% of total employment in 2002 – including health care (+54%), retail (+69%), management (+77%), hotel and food (+159%), arts and entertainment (+171%), and education (+277%).
- 7 The Park creates and supports thousands of jobs.** Hudson River Park directly generates more than 3,000 full- and part-time jobs – a figure that is estimated to grow to approximately 5,000 jobs over the next few years with improvements to Piers 26, 54, and 57. Moreover, each year, investments in the park's continued construction, operations, and maintenance indirectly support hundreds of jobs and millions of dollars in wages in our region.



Photo: Hudson River Park Trust

# Securing Local and Regional Returns on Investment

In addition to creating a world-class public amenity, public and private investments of nearly \$720 million from 2000 - 2015 have resulted in **more than \$1.121 billion of indirect economic benefits for New York City and more than \$1.425 billion for New York State**. Moreover, each year, in addition to direct employment in the park, these investments **indirectly support hundreds of jobs and millions of dollars in wages**.

These estimates were created using the Regional Input-Output Modeling System (RIMS II) of the U.S. Department of Commerce’s Bureau of Economic Analysis, which allows us to estimate economic multiplier effects of investment in Hudson River Park on local and regional economies.

Additionally, from 2004 to 2015, **the park has generated \$187 million in revenue** through leases, parking, grants, fees, concessions, and contributions that it puts toward operations and maintenance expenses. As a result, the park, though incomplete, has become financially self-sustaining.

Beyond reclaiming large sections of decrepit waterfront areas and providing new recreational opportunities, **Hudson River Park has generated economic benefits for the city and the state that extend far beyond the creation and operation of the park alone**. Additional investments to complete Hudson River Park would similarly have a net positive macroeconomic effect for the city and state.

	<b>New York City</b>	<b>New York State</b>
<b>Direct Economic Benefit (Total)</b> The total amount invested in the construction, maintenance, and operations of Hudson River Park	<b>\$720 million</b>	<b>\$720 million</b>
<b>Indirect Economic Benefit (Total)</b> The estimated local and regional multiplier effect for investments that involve construction and public amenities.	<b>\$1.121 billion</b>	<b>\$1.425 billion</b>
<b>Indirect Wages (Annual)</b> The average amount of wages generated outside of the park as a result of investment within the park.	<b>\$16.8 million</b>	<b>\$28.4 million</b>
<b>Indirect Employment (Annual)</b> The average number of job opportunities generated outside of the park as a result of investment within the park.	<b>407 jobs</b>	<b>664 jobs</b>

Source: U.S. Dept of Commerce, Bureau of Economic Analysis; RIMS II, Hudson River Park Trust



Photo: Hudson River Park Trust

# Generating Strong Direct and Indirect Employment

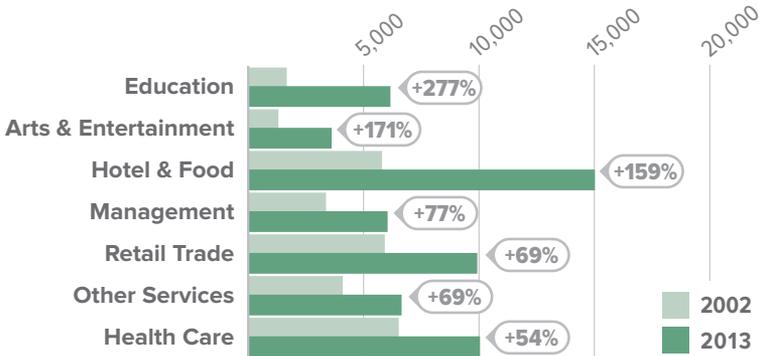
Investments in Hudson River Park have directly generated thousands of jobs. Chelsea Piers, the Intrepid Sea-Air-Space Museum, maritime operators, and the concessions and staff of the park represent **more than three-thousand full- and part-time jobs**. Over the next several years, employment in Hudson River Park is projected to grow by more than 50%, with the creation of **an additional 2,000 full- and part-time jobs** as part of the improvements to Piers 26, 54, and 57.

Moreover, the density of employment in the Hudson River Park neighborhood, the area within a quarter mile of the park from Chambers St to 59th St, is greater than the density for Manhattan as a whole, at **more than 100,000 jobs per square mile**. This means that the area is dense in commercial activity and has had significant growth in industries that support high employment densities.

In addition to steady growth in traditional employment drivers like the finance (+41%) and professional and scientific sectors (+75%), from 2002 to 2013, **employment has grown quickly in emerging sectors** – those that each represented less than 4% of total employment in 2002 – including **health care (+54%), retail (+69%), management (+77%), hotel and food (+159%), arts and entertainment (+171%), and education (+277%)**.

Total emerging-sector jobs have grown from around 24,000 to more than 50,000 (+107%). They represent a growing share of total neighborhood employment, growing from 16% of total employment in 2002 to 24% in 2013. Overall, total employment in all sectors for the Hudson River Park neighborhood has **grown by 53,000 new jobs from 2002 to 2013 (+34%)**, for a total of more than 210,000 jobs as of 2013. These figures put Hudson River Park on the map as an emerging economic engine for New York City and beyond.

## Emerging-Sector Employment Near Hudson River Park, 2002-2013



Source: US Census Bureau, Longitudinal Employer-Household Dynamics survey



Photo: Julienne Schaer

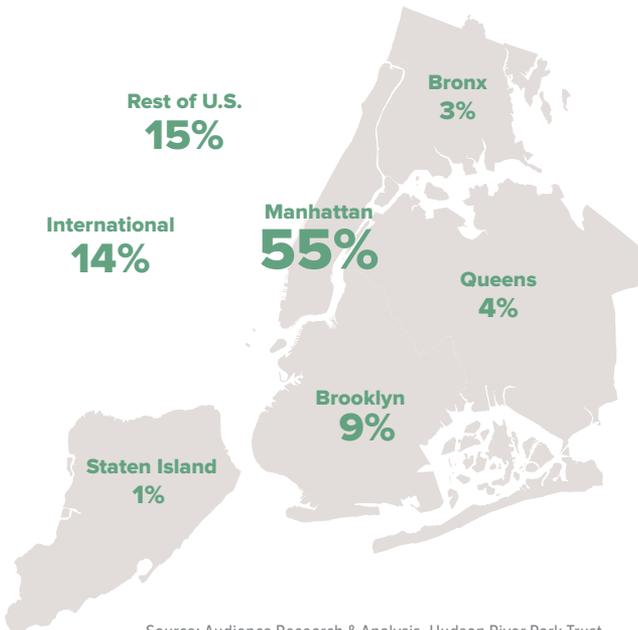
# Serving a Regional and International Audience

With Hudson River Park serving as a major regional destination, investments in the park have a direct effect on New York’s economy.

Even though several sections of the park have still not been completed and await additional funding for construction, **as of 2012, Hudson River Park was already attracting 17 million visits annually.** Nearly half of the total visits came from outside Manhattan – and around a third from outside New York City entirely.

NYC & Company has estimated that the average visitor to New York City spend around \$40 dollars per day on recreational activities. If the 5 million park visits to Hudson River Park originating from outside New York City resulted in even half that amount spent over an afternoon in the park, **that would generate \$100 million in visitor spending annually.** Moreover, if the remaining 12 million local park visits resulted in even \$5 dollars of spending, on average, **that would generate \$60 million in visitor spending annually.**

With **45% of visits to Hudson River Park originating outside Manhattan** – and with **nearly 30% of visits originating from outside New York State entirely** – this analysis shows that both the park’s visitors and the benefit of investments in Hudson River Park extend far beyond Manhattan alone.



Source: Audience Research & Analysis, Hudson River Park Trust



Photo: Hudson River Park Trust

# Transforming the Neighborhood for Families and Seniors

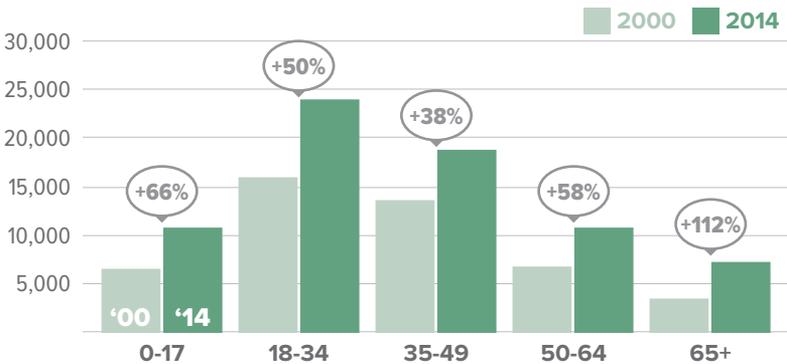
The Hudson River Park neighborhood, the area within a quarter mile of the park, has **grown in all age categories with growth ranging from 38% (ages 35-49) to 112% (ages 65+) between 2000 and 2014**. Unlike this neighborhood, the areas below 59th St in Manhattan and Manhattan as a whole both experienced declines in one or more age categories.

For example, the neighborhood has seen significant **gains of about 4,300 youth (+66%) and 3,900 seniors (+112%)**. In addition to growing overall, **these two groups both represent a growing share of the total population of the neighborhood**. In comparison, the population of youth as a share of the total population actually *decreased* in areas below 59th St.

Moreover, in Manhattan as a whole, the total youth population decreased – even though the youth population in the Hudson River Park neighborhood increased. This suggests that **families are likely migrating to and settling in the Hudson River Park neighborhood from other areas** during a period of overall declines in youth populations for Manhattan. Additionally, from 2000 to 2014, **the population of the Hudson River Park neighborhood has grown (+54%) from about 46,400 to 71,700 residents**.

The rapid ascent of Manhattan’s West side – bolstered by investments in Hudson River Park – has made the neighborhood more family-friendly and has led to changes that have **allowed the neighborhood to attract and retain families and seniors**.

**Growth in Population near Hudson River Park by Age**



Source: US Census Decennial 2000, American Community Survey 2009-2013



Photo: Max Giuliani/Hudson River Park Trust

# Bolstering Property Values and Property Taxes

The Hudson River Park neighborhood is growing rapidly. Over the past fifteen years, the neighborhood’s total non-exempt property tax base – the amount the neighborhood collectively pays in property tax – has **grown from \$283 million to \$937 million – a change of more than 230% from 2000 to 2015** – while the areas below 59th St and Manhattan as a whole have grown at a slower pace.

The neighborhood’s property tax contributions are **growing 20% faster than areas below 59th St and more than 50% faster than in Manhattan as a whole**. Moreover, the neighborhood has seen property values – the current market value as estimated by the NYC Department of Finance – **increase by approximately \$23.5 billion, growing 140% from 2000 to 2015**.

With additional strategic investments in Hudson River Park to support the transformation of the Far West Side, **New York City can continue to unlock latent value from its post-industrial waterfront** to secure additional property tax contributions, increase property values, and bolster both Hudson River Park’s and the city’s bottom line.



		Hudson River Park Area	Below 59th	Manhattan
Percent Change in Property Tax Base, 2000 to 2015	2000	\$283m	\$3.44b	\$5.31b
	2015	\$937m	\$10.72b	\$14.88b
	Change	231%	211%	180%
Percent Change in Property Value, 2000 - 2015	2000	\$16.76b	\$97.9b	\$173.76b
	2015	\$40.24b	\$288.77b	\$440.02b
	Change	140%	195%	153%



Photo: Max Giuliani/Hudson River Park Trust

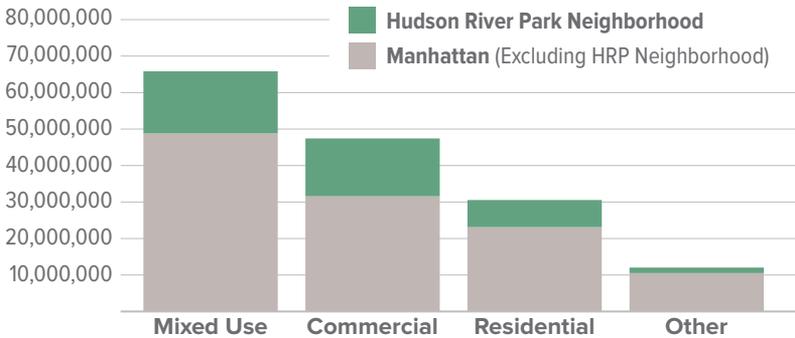
# Anchoring New Construction on the Far West Side

Investment in Hudson River Park has helped anchor growth to the Far West Side. In a previous 2008 study, RPA determined that **Hudson River Park generated a 20% premium** for properties sold between 2002 to 2005 in areas within two blocks of the park.

Today, due in part to investments in the park, the total property value of the Hudson River Park neighborhood is about \$40 billion and the value of new construction alone (built between 2000 to 2014) is around \$8 billion. This means that over the course of just fifteen years, the value of **new construction now represents nearly 20% of the neighborhood's total property value.**

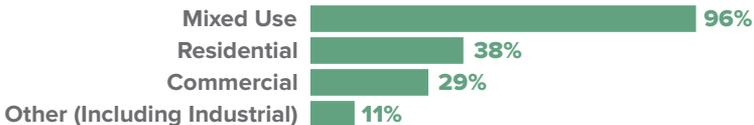
Moreover, the neighborhood's growth represents a major share of Manhattan's total growth. From 2000 to 2014, construction in the neighborhood accounted for **more than a quarter (27%) of all new construction in Manhattan over the same period – or more than 41 million square feet of new space.** The growth in the neighborhood was led by mixed use (17m sq ft) and commercial (15m sq ft), followed by residential (7.5m sq ft) and minor gains in industrial (250k sq ft) and other uses (1.25m sq ft).

## Total real estate growth (square feet), by building type 2000 to 2014



Source: New York City Department of City Planning, PLUTO

## Percent change in real estate growth by type for HRP neighborhood, comparing all prior construction to new construction (2000-2015)



Source: New York City Department of Finance, Assessment/Valuation Rolls



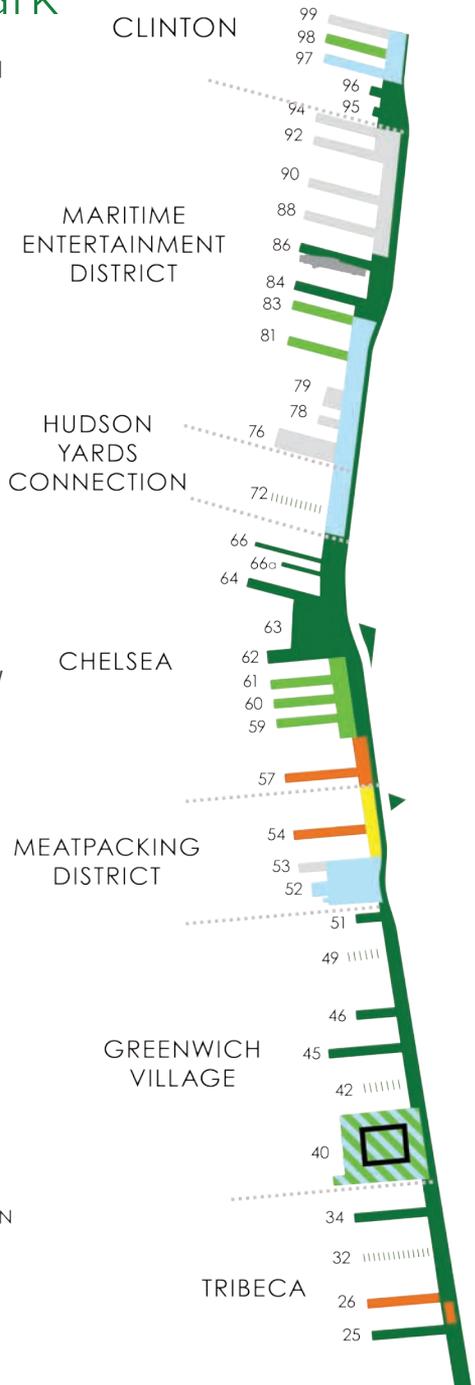
Photo: Hudson River Park Trust

# Recommitting to Complete Hudson River Park

Though the designs and the environmental impact statement for Hudson River Park were completed in 1998, **nearly two decades later the park remains around seventy percent complete.**

To complete the rest of the park, without considering development and/or public park spaces at Pier 40 and 76 – and without including Pier 54, which already has a commitment of funding – would cost approximately \$225 million (escalated at 4% over 8 years.) Hudson River Park Trust currently has in reserve or has promises of approximately \$75 million, which is allocated to specific public pier projects. **With a \$150 million investment, the Park could largely be completed.**

Segments of the park in orange and yellow – Piers 26, 54, and 57 – are progressing toward completion. **Efforts to complete these sections of the park are outlined in the following pages of this report.**



# Recommitting to Complete Hudson River Park: Pier 26

The Hudson River Park Trust intends for Pier 26, located at North Moore St, to be **the park's flagship pier for environmental education**, as well as provide new recreational amenities. In addition to a boathouse and restaurant that have already been constructed, **the new Pier 26 will include an 'estuarium' – a research and educational facility focused on the Hudson River**. The facility will be operated by Clarkson University and its partners, the New York Hall of Science and Hudson River Sloop Clearwater. The estuarium will expand Hudson River Park's environmental education programs, which **engaged over 23,500 participants from Brooklyn, Queens, Manhattan, and the Bronx in 2014**.

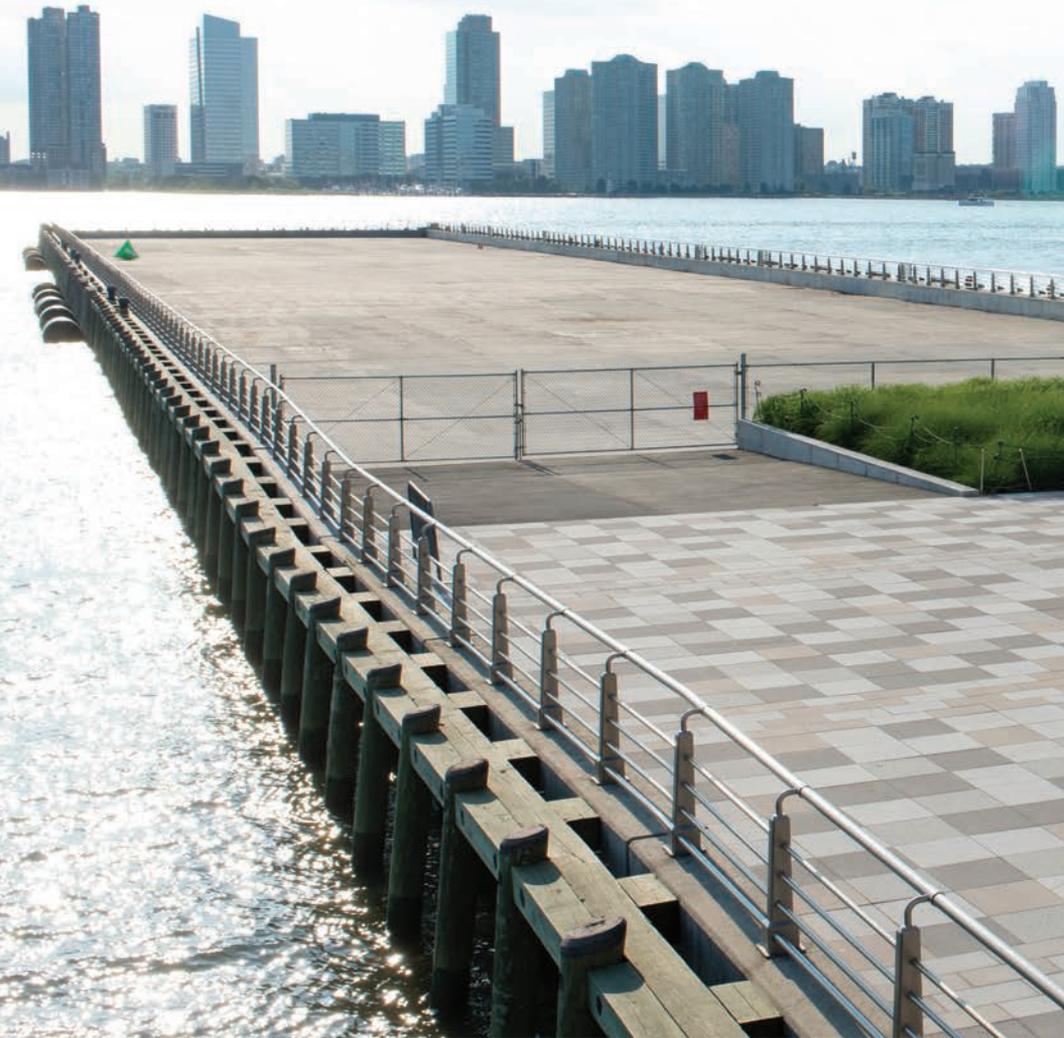




Photo: Julienne Schaer

# Recommitting to Complete Hudson River Park: Pier 40

Today, Pier 40 is in serious disrepair. Sections of its roof have collapsed, while other parts of the facility have closed to the public due to unsafe conditions. The Hudson River Park Trust continues to make emergency repairs to keep its doors open to the public. **However, without a major infusion of new funds, Pier 40's future is uncertain. In order to help secure the pier's long-term solvency, the Trust is considering the sale of development rights, the proceeds of which would be dedicated to repairing the pier's infrastructure.** As a financial and programmatic linchpin of Hudson River Park, major repairs and the redevelopment of Pier 40 remain an urgent priority.





Photo: Hudson River Park Trust

# Recommitting to Complete Hudson River Park: Pier 54

The Hudson River Park Trust is advancing plans to rebuild Pier 54 (to be renamed Pier 55) as a public park pier. Pier 55 will have a square shape and a dramatic, rolling topography, which will allow for greater programming flexibility than with traditional park piers. **Once completed, the pier will include lawns, paths, trees, and other landscaping – as well as an amphitheater and other performance areas intended for audiences from 100 to 3,200 people.** This new pier would provide space for cultural programming, as well as general public recreation. The pier will be built and operated by a non-profit corporation funded by the philanthropists Barry Diller and Diane von Furstenberg. New York State and New York City are also supporting this project.





Photo: Hudson River Park Trust

# Recommitting to Complete Hudson River Park: Pier 57

Listed on the National Register of Historic Places, the historic Pier 57 is slated for redevelopment by Youngwoo & Associates and RXR Realty. With a **\$350 million private investment**, the developers intend to restore and repurpose the pier for office and retail spaces. **The project includes plans for a new public rooftop park and ground-level pedestrian esplanades that will improve surrounding portions of the park.** The project's anticipated anchor tenant will be Google – and plans include a large public market containing a mix of international and local dining experiences that takes design inspiration from shipping containers. Additional tenant investment of approximately \$160 million is expected.





Photo: Hudson River Park Trust



Photo: Hudson River Park Trust

# Realizing the Benefits of Hudson River Park

This report shows that Hudson River Park has already generated significant returns on investment for the city and state, while aiding in the transformation of Manhattan’s post-industrial waterfront and the Far West Side.

Yet, even with ambitious new plans slated for Piers 26, 54, and 57, **Hudson River Park will remain partially unrealized more than a decade after the park was intended for completion.**

Moreover, Pier 40 – which generates around 30% of the park’s annual operating budget and whose athletic fields experience more than 230,000 visits a year – is in need of significant and costly repairs to its building and the pier’s supporting piles.

While the park continues to move forward with new efforts for unbuilt piers, **it is critical to secure Pier 40’s contribution to Hudson River Park’s operating revenue and to the recreational opportunities for tens of thousands of residents.**

As one of the largest and most-frequented waterfront destinations in our region, Hudson River Park continues to offer a unique opportunity for the region to reimagine our public waterfronts and our relationship with the water.

And as an anchor of the redevelopment of Manhattan’s Far West Side, **continued investment in Hudson River Park will help secure and accelerate many of the trends identified in this report.**

This report shows that the argument to complete the park is clear. Investment in Hudson River Park has transformed blighted sections of the region’s waterfront into a regional destination and into a key economic engine for the transformation of the Far West Side and beyond. With an additional \$150 million investment, the Park could largely be completed.

**Thirty years ago, the idea of Hudson River Park began to take root. And over the coming decade, it is up to the city, the state, and other key stakeholders to work together to finish the job. It is time for the region to finally realize the benefits of a completed Hudson River Park.**

# The History of Hudson River Park's Development

**1992:** Memorandum of Understanding (MOU) between City and State to finalize the construction of a new park along the Hudson River is finalized. This MOU created the Hudson River Park Conservancy to build the park.

**1998:** Designs for Hudson River Park – along with the Environmental Impact Statement – are completed. The Hudson River Park Act becomes law, enabling the recreated Hudson River Park Trust to begin construction on the 5 mile park.

**1999:** Construction begins on the upland portion of Hudson River Park in Greenwich Village.

**2000:** The Hudson River Greenway – now managed by the park – was completed between Battery Place and 59th Street. Construction begins on Piers 45, 46, and 51 in Greenwich Village.

**2003:** First stretches of Hudson River Park open in Greenwich Village.

**2005:** Clinton Cove – a 2.2 acre open space on the upland section of Piers 95 and 96 – opens to the public. An amendment is made to the Hudson River Park Act, permitting the park to seek a long-term lease for historic Pier 57.

**2007:** Pier 66 in Chelsea opens to the public. The Frying Pan, a restored historic vessel and restaurant, is moored at Pier 66.

**2008:** Riverfront areas between Piers 26 and 40 in Tribeca open to the public, with basketball courts and tennis courts.

**2009:** Pier 64 in Chelsea, the highest pier along the river, opens to the public.

**2010:** Pier 25 in Tribeca is opened to the public. The mini-golf course opens the following April. Piers 62 and 63, the Chelsea Cove, open. With a skate park and carousel, Chelsea Cove is the largest contiguous open space in Hudson River Park.

**2012:** A study reveals severely deteriorated structural piles beneath Pier 40 in Greenwich Village, threatening the primary source of income for Hudson River Park.

**2012:** As of late 2012, 70% of Hudson River Park has been completed. Structural issues at Pier 54 in the Meatpacking District force Hudson River Park to close part of the pier previously used for public films, concerts, and events.

**2013:** The upland section near Pier 26, which included a new dog run, opened to the public.

**2014:** A new boathouse is opened at Pier 26.

**2014:** The Trust inaugurates a new river science festival, *Submerge*, celebrating marine and citizen science. Exhibitors from top science and technology organizations attract 4,500 people to the festival.

**2015:** The remainder of a dilapidated Pier 54 is removed in anticipation of its rebuilding.

**2015:** Construction begins on widening the esplanade between Gansevoort Peninsula and 14th Street, which will help alleviate bicycle and pedestrian congestion.

**2016:** The Trust brings three historic vessels – the Lilac, the Grand Banks, and the Nantucket – to Pier 25 for up to 5 years.

**2016:** The restaurant team behind City Winery will open a new restaurant, City Vineyards, at Pier 26.

