

Report on Operations and Accomplishments in 2012

Overview:

2012 will be remembered as a year of major challenges for Hudson River Park. Foremost among these was Hurricane Sandy, and the approximately \$20 million dollars of damage it wreaked on the Park – most heavily on its electrical systems, but also on isolated park surfaces.

Another major challenge included the rapidly worsening condition of several legacy assets – in-water structures inherited by the Hudson River Park Trust (HRPT) that have not benefited from sustained care over a period of decades prior to the Park's creation. Early in the year, a majority of Pier 54 — the spot where Titanic survivors returned to shore — had to be closed down due to pile conditions. At Pier 40, the Park's largest revenue generator and a vital community open space enjoyed by hundreds of thousands of children and adults every year, HRPT was forced to close stairwells, restrooms and public spaces as a safety measure. In addition, for the second straight year, HRPT drew upon its finite reserve fund to make critical repairs.

Despite these obstacles, HRPT certainly experienced many successes and moments of optimism in 2012 as well. HRPT's staff performed heroically in the face of difficult working conditions that included no heat and lights for days after Sandy. The Park also benefited from an outpouring of volunteers and financial contributions following the storm, and we remain grateful for such support.

In other areas, 2012 was also a year of progress and fun. Elected officials and community residents joined HRPT to debate amendments to the Park's enabling legislation that could make it financially stronger in the future. Construction continued on future new park areas in Tribeca, Midtown and Clinton. We saw record attendance throughout the 5-mile expanse, and park staff continued to serve visitors by creating and offering hundreds of free education and entertainment programs for children and adults. We proudly worked with the Gagosian Gallery and Whitney Museum to exhibit a temporary art installation consisting of ten pieces of work by Yayoi Kusama on Pier 45; the installation brought joy to countless park visitors.

Finally, HRPT advanced other initiatives that enhance the park physically and strengthen it financially, such as attracting a mooring field and sailing school to Pier 25, identifying new day cruise vessels at Pier 40, and working with a private sector partner, Young Woo & Associates, to advance the required environmental review process for historic Pier 57. Located at 15th Street, this 1952 "Marine @ Aviation" structure, is expected to be transformed into an exciting mixed-use destination that will offer cultural programming, a large rooftop public park, several restaurants, flexible retail and entertainment opportunities, and a marketplace built from repurposed shipping containers.

Following are additional details on some of the year's highlights:

Hurricane Sandy:

Hudson River Park's four waterfront miles were the front line of Manhattan for damage from Hurricane Irene. Fortunately, the new park structures fared quite well structurally, with core infrastructure remaining intact or nearly so and escaping severe damage, just as they were designed to do. Miles of new plants and trees also weathered the storm successfully.

That said, several pier decks experienced damage to paving that heaved and created gashes across Piers 46 and 84. Pier 25 also experienced an upheaval of a section of its playground, and the Pier 40 ballfield surface was also largely destroyed. Thanks to assistance from Friends of Hudson River Park and a consortium of youth ballfield organizations, the Park subsequently received donations that allowed HRPT to restore the playground and ballfield far faster than would otherwise have been the case. Construction also began on Piers 84 and 46 to replace the damaged surfaces.

All or most of the Park's electrical and mechanical infrastructure was under water. At Pier 40, the aged transformers were destroyed. Staff worked late nights, weekends and early mornings for months to stabilize Pier 40's aged wiring and equipment to allow HRPT to continue functioning.

One of the most encouraging aspects of the Hurricane's aftermath was seeing the amount of support that the Park received. In conjunction with Friends of Hudson River Park, HRPT hosted several clean up and "mulch madness" volunteer events to do park clean-up and to restore mulch throughout the park's planted areas. By December, it was possible to see the fruits of all their labors.

HRPT's previous experience with Tropical Storm Irene allowed us to hit the ground running with respect to coordinating repairs and upgrades with FEMA. This work began immediately, ultimately resulting in 100 individual FEMA applications. Of the approximately \$20 million in damage sustained, HRPT expects to receive all but \$2 million back due to these efforts and with the State and City's support.

New Construction:

Entering 2012, approximately 70 percent of the Park was complete and open to the public. Signature new construction projects for the year included:

Pier 97:

Progress continued on the northernmost public pier in the Park. Funded to date through settlement fees from litigation initiated by Friends of Hudson River Park, construction on Pier 97 in 2012 consisted of completing the marine platform that will serve as the structural base for future park amenities once funding is available.

Pier 81 to Pier 83 Bulkhead

In 2012, HRPT awarded a contract to repair a section of collapsed bulkhead adjacent to Piers 81 and 83 that failed as a result of Tropical Storm Irene. HRPT worked closely with FEMA to secure much of the cost of this repair.

Tribeca Upland and Pier 26

In 2012, construction continued on both the next phase of upland park work which will include Hudson River Park's largest dog run as well as the combined boathouse/restaurant building on Pier 26. The upland contractor experienced flooding of equipment and site work caused by the storm, but was back to work the week of November 12th and has been working uninterrupted since then. Work is progressing well and remains largely on schedule with this next Park phase due to open in Summer 2013.

At Pier 26, the building contractors experienced various effects from Hurricane Sandy but there were similarly no major failures. Subsequent to the Hurricane, staff worked with the design team to raise the mechanical equipment to avoid future flooding issues. HRPT also incorporated a flood wall system into the design as further protection for this building.

Public and Educational Programming:

During the summer of 2012, HRPT hosted its annual *Take Me to the River* free summer event series, offering over 88 free events including movies, dance lessons and live music, and rock, jazz, classical and blues concerts on multiple piers. A total of 100,000 people attended including a record breaking 6,500 people who enjoyed a RiverRocks concert featuring the band Grimes on Pier 84 in August.

Pier 63 was the host site for two Bowery Presents concerts which were sponsored by Converse. Each concert drew a crowd of 2,000-4500+ attendees and featured some of the hottest indie rock bands on the scene such as Sleigh Bells and The Kills. In connection with the concerts, Converse also hosted two skateboarding events at the Pier 62 Skate Park, where demos and contests were ran by the Converse Skate Team.

Pier 40 hosted the 2nd Annual Tribeca NYFEST Soccer Day in connection with the Tribeca Film Festival. Over 2,000 spectators and participants came out to attend the all-day festival. Company teams from the film, music, sports, fashion, TV, advertising and design industries battled it out during the 5-a-side tournament. Children were able to participate in games as well. The highlight of the day was the celebrity tournament that took place in the afternoon.

In addition to our free entertainment programming, the Trust's Environment and Education Department also had a busy line up of summer park programming serving 6,000 children and adults across a broad age spectrum. In addition, staff organized field trips for public and private schools from all around the New York region, with environmental education provided by HRPT staff.

During the summer's Big City Fishing program, sixty different Hudson River specimens were caught and released by nearly 1500 anglers. 2012 also marked the inaugural year for many new programs including our Science on the River festival series which attracted over a thousand participants over two Saturdays. Hudson River Park WILD!, our Sunday morning nature walk program, allowed patrons to discover the wealth of wildlife that calls Hudson River Park home. The new RiverTOTs program gave young children and their care givers an opportunity to learn about the Hudson River and its surrounding ecosystem through guided, age-appropriate craft and play experiences focused on the natural environment.

In addition to implementing these and many other public enrichment programs, our new partnership with the Student Conservation Association (SCA)-Americorps attracted environmental educators from all over the country. SCA staff proudly taught thousands of city summer camps groups, introducing these young campers to the wonders of the Hudson River Estuary through hands-on activities and experiential learning.

Throughout the year, HRPT works with countless other tenants and partners to help us program the Park and to improve the range and depth of offerings for Park visitors. In 2012, we began working with the Children's Museum of the Arts to offer free children's art programming at Pier 25 and Bike New York began a program of weekly free learn to bike classes for children and adults at Pier 54. Pier 25 proudly hosted a number of historic vessels, including the Gazela, the Nantucket Lightship and the Picton Castle, fulfilling another long standing park policy. We appreciate the energy, dedication and commitment of resources that goes into every one of these initiatives.

Pier 40

Even aside from the addressing the huge damage it sustained due to Hurricane Sandy, Pier 40 would have occupied an enormous amount of HRPT's efforts given its continuing deterioration, a result of decades of deferred maintenance prior to Hudson River Park's creation.

Pier 40 has enormous importance to the Park. Its fields support youth and adults leagues from around New York City, HRPT's offices are located at Pier 40, and the approximately 2,000 cars that park at this property generate approximately 35 percent of the Park's overall operating budget annually. Its social and financial importance cannot be understated, but the pier is also literally falling apart.

Pier 40 was built with a 50-year lifespan, and the pier celebrated its 50th birthday in 2012. It is in need of a new roof, new stairs, and other essential infrastructure. Its 3,600 steel piles are also deteriorating. Together, Pier 40 needs approximately \$125 million dollars in permanent roof, pile and other repairs to maintain its basic "as-is" functionality, let alone improve its physical appearance as an asset that is better integrated into the overall Hudson River Park.

In 2012, HRPT's Board of Directors authorized certain essential safety repairs like the stairway and elevator work. Repairs to sections of the roof were also approved in order to allow some revenue from parking to be generated while HRPT continues to explore legislative changes that will make finding a permanent solution to the problems more viable. At the Board's direction, staff will avoid making many otherwise needed repairs because their cost/benefit is not justified within a designated time horizon. Essentially HRPT is operating Pier 40 in a "managed shutdown" mode.

Hudson River Park Legislation

At the end of 2011, HRPT launched a broad based discussion with elected officials, community leaders and environmental and civic organizations regarding the Park's financial challenges. Together, participants explored a wide range of ideas that could generate additional income to care for this now vital asset for all New Yorkers. Over the course of the last one and half years, HRPT held or attended dozens of meetings to try to reach consensus on changes to permissible uses and lease terms at designated commercial piers, ideas that would reduce park maintenance costs, inclusion of Pier 76 as a revenue generating pier, and other proposals. The level of engagement from participants was high, as was the desire to find workable solutions in recognition of the park's needs. HRPT hopes to secure legislative change on some of these ideas before the legislative session ends in Albany in June 2013.

Hudson River Park enters into a Collective Bargaining Agreement

Over the course of two years, the Trust and Local 30 of the International Union of Operating Engineers negotiated and reached consensus on the terms of an initial collective bargaining agreement for certain employees. The agreement covers the full time, year round, facilities and horticultural employees in the Operations and Maintenance Department, currently 18 positions.

HRPT welcomes our new partnership with Local 30.

Hudson River Park plays a role in the Freedom Tower

As a result of Pier 25's proximity to the World Trade Center site, the pier was used in connection with the delivery of the Freedom Tower's antenna. In December 2012, nine separate lifts were needed to offload the Freedom Tower antenna from a barge at Pier 25. With the antenna, the building is 1,776 feet and becomes the tallest building in the United States

Private Fundraising & the Neighborhood Improvement District

In 2011, HRPT formalized its relationship with Friends of Hudson River Park as its private fundraising partner. Throughout 2012, HRPT and Friends worked closely together to plan the 2012 Hudson River Park Gala, raise private money after Sandy, attract dedicated new Board members, and increase Hudson River Park's profile and name recognition among members of the general public. This partnership will become increasingly important to the Park given its needs, and HRPT is enthusiastic about the creativity, leadership and skill Friends' Board Members and staff have added to the Park.

One Friends' initiative that we are especially enthusiastic about is the proposed Neighborhood Improvement District. Along with many property owners along the Park's length, Friends has been working on a plan to generate income to support the park, the adjacent Route 9A bikeway, and other nearby properties by requiring property owners to contribute a small annual amount towards these costs. Much work and a City Council vote are all required before this plan could be implemented. HRPT is an active participant in the process since the guaranteed income it could provide on an annual basis would help secure the Park's future.