



Hudson River Park Trust

May 3, 2016

Hon. Carl B. Weisbrod
Chairman
New York City Planning Commission
120 Broadway, 31st Floor
New York, NY 10271

Re.: Proposed Special Hudson River Park District

Dear Chairman Weisbrod:

On behalf of the Hudson River Park Trust (the “Trust”), I wish to extend my appreciation for the effort that you and the staff at the New York City Department of City Planning (“DCP”) have made to advance the amendment to the Zoning Resolution of the City of New York, effective as of December 15, 1961 (as amended from time to time, the “Zoning Resolution”) providing for a new Article VIII Chapter 9 of the Zoning Resolution establishing the Special Hudson River Park District (the “District”), which would enable the transfer of floor area within the District pursuant to a zoning special permit (the “Special Permit”).

Pursuant to the Hudson River Park Act, Chapter 592 of the Laws of 1998 of the State of New York, as amended (the “Act”), the Trust is responsible for the planning, design, development, construction, operation and maintenance of the Hudson River Park and the improvements therein (collectively, the “Park”), which is located along West Street in the Borough of Manhattan, City and State of New York and includes the property known as Pier 40 located at West Street and West Houston Street, and having a tax lot designation as Block 656, Lot 1 (“Pier 40”).

Pursuant to an amendment to the Act, as such amendment was enacted in 2013 by the New York State Legislature and included in subsection 1(j) of Section 7 of the Act, the Trust is authorized:

“to transfer by sale any unused development rights as may be available for transfer to properties located up to one block east of the boundaries of the [P]ark along the west side of Manhattan, if and to the extent designated and permitted under local zoning ordinances provided however that revenues derived from the transfer of air rights from [P]ier 40 must be used in the first instance for the repair

of [P]ier 40 infrastructure including piles and roof, after which any excess revenues may be used by the [T]rust for other uses permitted by this [A]ct.”

The new Zoning Resolution Section 89-21 would require that all Special Permit applications include, inter alia:

“a statement from the [Trust] identifying improvements to be made to [the Park], and indicating that the transfer of #floor area# pursuant to this Section, in combination with any other available funding, would be sufficient to complete such identified improvements.”

It is our understanding that SJC 33 Owner 2015, LLC (“Developer”), the owner of the property known as St John’s Center, located at 550 Washington Street in the Borough of Manhattan, City and State of New York directly across West Street from Pier 40 and having a tax lot designation as Block 596, Lot 1 (the “SJC Property”) has submitted an application to DCP for a Special Permit to permit the transfer of 200,000 square feet of “floor area” (as defined in the Zoning Resolution) from Pier 40 to the SJC Property (the “Transfer”).

In anticipation of Developer’s application, the Trust has negotiated a draft Purchase and Sale Agreement (the “PSA”) with Developer for the Transfer pursuant to which Developer would pay the Trust \$100,000,000 (One Hundred Million Dollars).

The Transfer would require a “significant action” process pursuant to the Act and subsequent approval by the Board of Directors of the Trust of the Transfer pursuant to the PSA, which approval would be contingent upon and subject to adoption of the proposed Zoning Text Amendment, the grant of the Special Permit, and the approvals of certain other actions including a zoning map amendment, authorizations and other special permits in connection with Developer’s proposed development of the SJC Property.

Accordingly, this letter is submitted to the City Planning Commission in satisfaction of the requirement under the proposed new Section 89-21 that the Trust identify improvements to be made to Hudson River Park, confirm the sufficiency of funding to complete such identified improvements and further, in accordance with the Act, establishing the priority use of revenues derived from the Transfer regarding the repair of Pier 40.

As described below, the Trust has identified repairs to the piles of Pier 40, the need for which has been assessed and categorized by a qualified marine engineer as “immediate” and “priority,” as the primary improvement to be undertaken with funds derived from the Transfer. The Trust has further determined that the funds to be received from the Transfer are sufficient for the improvement.

In March 2015, the Trust received a completed Conditions Monitoring Inspection report for Pier 40 (the “Report”) from a qualified marine engineering firm, Halcrow, Inc. (the

“Marine Engineer”). The Report in its entirety has been made available for public review on the Trust’s website at <https://www.hudsonriverpark.org/vision-and-progress/planning-and-construction/pier-40>.

The Report includes both inspection results and repair recommendations with associated order-of-magnitude cost estimates. The repairs consist primarily of structural and non-structural encasements of the 3,463 steel piles supporting Pier 40. The repair recommendations are prioritized by importance level as “immediate,” “priority,” and “routine.” Immediate repairs are recommended to prevent unsafe conditions; priority repairs are intended to maintain the structure in safe operating condition and/or prevent deterioration from continuing to a point where the future repairs will be significantly more costly; and routine repairs are those to be undertaken as part of a scheduled maintenance program and may be performed at a later date.

The Trust has determined that repairing the piles recommended for immediate and priority actions will allow the pier to retain a 100 pound per square foot live load rating sufficient for public assembly across the entire pier deck. As noted in the Report, the repair recommendations are also intended to provide enough lateral load capacity to resist ice, wind, wave, current, and mooring loads typical to this riverfront location, and to maintain sufficient structural capacity for fire truck access to the Center Playing Fields and the perimeter pier sheds. The repair recommendations are not intended to bring the pier back to the original design live load capacity when the pier was first constructed as an ocean terminal, but rather to provide long lasting repairs to support loads required for existing uses at the pier. The principal existing uses at Pier 40 include athletic fields, the offices and maintenance facilities of the Trust, and a revenue generating parking garage.

The Report estimates the total cost of design, construction, escalations and supervision at \$104.6 million. Approximately \$20.1 million this total cost is for routine repair work and approximately \$84.5 million is for immediate and priority repairs.

The immediate and priority pile repairs recommended in the Report are the primary infrastructure improvements for which funds to be received from the Transfer will initially be devoted. Funds received from the Transfer not expended on immediate and priority pile repairs would be applied, as described below, to emergent Pier 40 infrastructure improvements and for no other purpose.

The Trust has concluded, based on the Report and its own significant marine construction experience, that the funds to be received from the Transfer will be sufficient to undertake and complete the immediate and priority pile repair improvements required to provide structural support for existing uses at Pier 40. Accordingly, the Trust has initiated procurement of pile repair design services through a Request for Proposals subject only to the receipt of funds from the Transfer.

All funds received from the Transfer shall be restricted to Pier 40 infrastructure repairs, in accordance with the Act. Concurrent with undertaking the immediate and priority pile repairs, the Trust may elect to address some or all of the remaining routine pile repair

work identified in the Report, or to address any emergent Pier 40 building infrastructure conditions on the roof, or to electrical, plumbing, façade, paving, and/or life safety systems required to sustain existing uses at the pier.

This statement to the City Planning Commission is provided to satisfy the requirement under the proposed new Section 89-21 with respect to the application of funds received by the Trust from the Transfer. I wish to thank DCP and the City Planning Commission for the consideration given to the needs of the Park.

Sincerely,

A handwritten signature in black ink, appearing to read "Madelyn Wils". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Madelyn Wils
President & CEO

ATTACHMENT 1: HUDSON RIVER PARK TRUST, MAY 2016

Pier 40 Repairs 2012 - April 2016		
Category	Work Description	Contracted amount
Pier 40 General Repairs	Roof & Ramp	\$ 15,879,215
Pier 40 General Repairs	Stairs & Elevators	\$ 2,603,156
Pier 40 General Repairs	Sports Field	\$ 287,986
Pier 40 General Repairs	Electrical Work	\$ 188,140
Pier 40 General Repairs	Safety - Railings and fire system repair	\$ 492,465
Pier 40 General Repairs	Water & sewer line repair	\$ 199,381
Pier 40 General Repairs	Other repairs	\$ 232,354
Subtotal		\$ 19,882,697
Repairs Related to Hurricane Sandy	Electrical Work	\$ 5,475,302
Repairs Related to Hurricane Sandy	Fire Protection and Alarm	\$ 4,130,842
Repairs Related to Hurricane Sandy	Boiler Replacement	\$ 1,283,059
Repairs Related to Hurricane Sandy	PEP- Space	\$ 1,906,733
Repairs Related to Hurricane Sandy	HVAC	\$ 554,333
Repairs Related to Hurricane Sandy	Other repairs	\$ 807,065
Subtotal		\$ 14,157,335
TOTAL		\$ 34,040,032

ATTACHMENT 2: HUDSON RIVER PARK TRUST, MAY 2016

ESTIMATED PIER 40 INFRASTRUCTURE REPAIR NEEDS IMMEDIATE TERM (THROUGH YEAR 4), EXCLUDING PILES			
Trade	Location	Description/Assumptions	Preliminary Estimate (1)
Roof	Southern shed - parking and passive field areas (78,000 square feet)	Concrete panel and rib repair/replacement and waterproofing (2)	6,431,300
Roof	Rooftop ball field area (51,000 square feet)	Concrete panel and rib repair/replacement and waterproofing (2)	2,960,000
Roof	Second floor offices, south	Logistics for temporary HRPT office relocations during roof repairs	150,000
Roof	Active and passive field replacements	Replacement of artificial turf in areas of roof work	1,500,000
Mezzanine	Northern shed	Concrete panel and rib repair/replacement and waterproofing (2)	1,650,000
Artificial Turf	Courtyard field	Turf replacement, drainage, concrete repairs around perimeter; estimate based on previous costs for comparable work; phased construction assumed	7,000,000
Plumbing	Assorted areas	Water main & branch lines repair/replacement, main drains as/if needed	350,000
Electric	Assorted areas	Pull new wire, replace conduit, replace distribution panels, add new grounds, replace circuit breakers to code as/if needed (3)	1,500,000
Sprinklers	Throughout	Replace sprinkler mains and branches, new heads	2,650,000
Masonry	Façade, assorted locations	Brick replacement and repointing as/if needed	80,000
		Subtotal:	21,541,300
ESTIMATED PIER 40 INFRASTRUCTURE REPAIR NEEDS INTERMEDIATE TERM (YEARS 5+), EXCLUDING PILES			
Trade	Location	Description/Assumptions	Preliminary Estimate (1)
Roof	Head house - trapeze school and center parking area	Concrete panel and rib repair/replacement and waterproofing (2)	3,800,000
Roof	Second floor offices, center	Logistics for temporary HRPT office relocations during roof repairs	150,000
Roof	Penthouse and mechanical bldg	Only minor leaks at present; will monitor	424,000
Mezzanine	Western, southern and eastern	Concrete panel and rib repair/replacement and waterproofing (2)	5,000,000
Masonry, Sheet Metal	Façade, assorted locations	Sheet metal repair, window replacement, brickwork, flashing & painting; as/if needed	500,000
Plumbing	Assorted areas	Water main & branch lines repair/replacement; as/if needed	325,000
Plumbing	Assorted areas	Waste line repair/replacement; as/if needed	150,000
Electric	Assorted areas	As needed, pull new wire, replace conduit, replace distribution panels, add new grounds, replace circuit breakers to code; as/if needed (3)	3,300,000
Lighting	Garage southern shed 2nd floor, ground floor west and east, and exterior	Ground floor ceiling, roof masts, building mounted fixture replacement; for security	1,500,000
Paving	Perimeter walkways, sidewalks and selected interior sections	Concrete and asphalt section replacements as needed; as/if needed	1,000,000
HVAC	Rooftop	Air handler repair/replacement to provide heat to HRPT and tenants as/if needed	500,000
Railings	Western walkway, roof, selected areas around sports fields	Repairs and replacements; for safety	100,000
Gantries	Roof -- north, south and west	Should a structural problem be identified removing the gantries less expensive than repairing	500,000
Doors	Ground floor	Repair and/or replace roll up doors as/if needed	450,000
Marine	Perimeter, West and South	Fender piles for pier protection as/if needed	1,260,000
		Subtotal:	18,959,000
		TOTAL	40,500,300
Notes:			
(1) Estimates are order of magnitude, and reflect noted assumptions and previous pricing for similar work where available			
(2) Repair allows for 50 ppsf parking use, not public assembly			
(3) HRPT has recently completed/contracted for \$5.5 million in electrical infrastructure work in connection with Sandy recovery work			