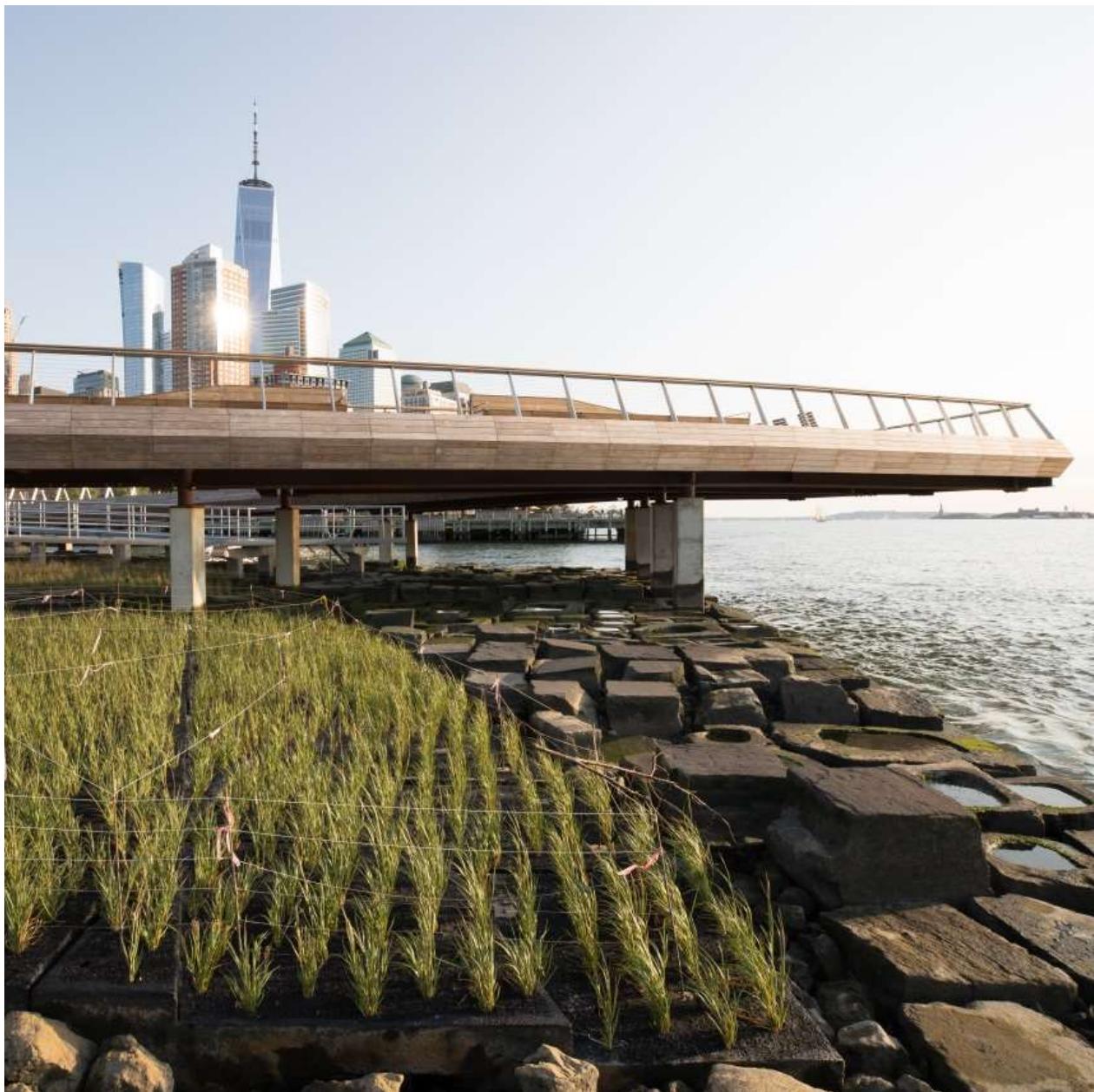


# HUDSON RIVER PARK FINANCING PLAN FY21-22

February 1, 2021



## **IMPORTANT BACKGROUND INFORMATION**

***The Hudson River Park Act mandates that the Hudson River Park Trust (the Trust) prepare an annual Financing Plan by February 1, before either the New York State or New York City budget is adopted for the coming fiscal year. The New York State fiscal year begins on April 1, while the New York City fiscal year begins on July 1. As a result, the Trust's annual Financing Plan is a projection based on information as of January 30.***

***The Trust has been fortunate to receive large capital funding commitments from both the State and City in prior fiscal years. Each identified \$50 million for Hudson River Park construction in their FY18-19 budgets, as well as an additional \$23 million each in FY19-20. Coupled with private air rights funds and donations that the Trust has received from sources identified below, State and City funds are enabling the Trust to significantly advance completion of the Park and to make critical repairs to the piles and other basic infrastructure at Pier 40.***

***As the Trust prepares this year's Financing Plan and budget, there is significant uncertainty with respect to COVID-19 and the economic effects it is creating. New York State and New York City are still determining their budgets, and the Trust is projecting a continuing shortfall in projected operating revenue generated by businesses within the Park impacted by COVID-19 restrictions. While the Trust is optimistic that capital budget funding will continue to be available for ongoing projects, it is mindful that changes may be required if projected funding is delayed or reduced.***

***This Financing Plan is intended to read in conjunction with other financial and budget information of Hudson River Park Trust public available to the public on the Trust's website at <https://hudsonriverpark.org/about-us/hrpt/financial-and-budget-information>.***

## PARK OVERVIEW



2020 was a year like no other, characterized by unprecedented loss of lives and livelihoods all over the world. Alongside all this loss, people proved themselves to be resilient, taking to their parks, plazas and streets in record numbers to breathe fresh air and to recreate safely. The value of open space in urban areas was never clearer. Around the world, individuals and families began seeing parks and the immeasurable value they provide with new eyes.

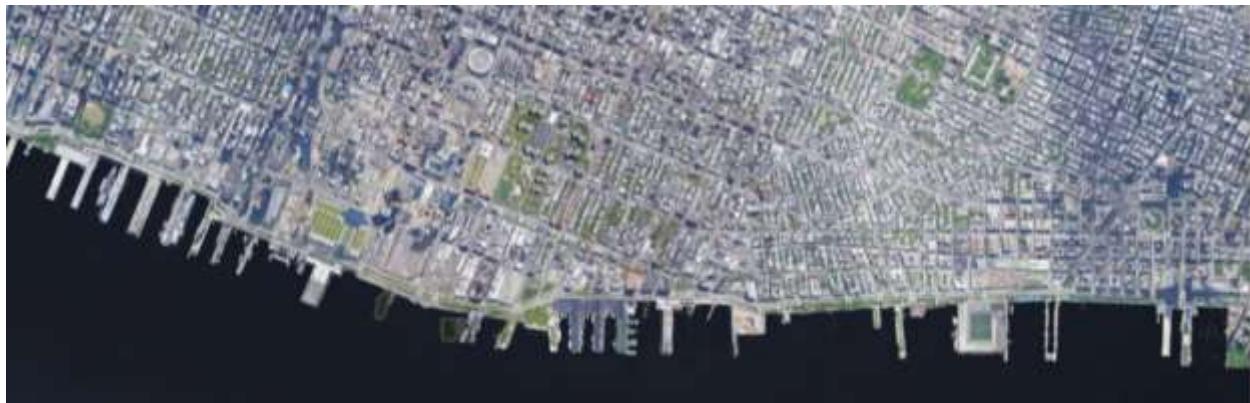
Among New York's open spaces is Hudson River Park (the Park), offering four miles of esplanades, lawns and public piers along Manhattan's west side. Countless New Yorkers visited the Park even during the worst moments of the pandemic seeking respite and relief. Remarkably, the Park actually expanded during these devastating times with the opening of Pier 26 – the Park's 12<sup>th</sup> fully public park pier. The Pier 26 project had been years in the making and resulted from a partnership between the public and private sectors. Pier 26's design celebrates the Hudson River estuary and uniquely includes a "Tide Deck" – an engineered salt marsh with tidal pools at its western tip.



Despite the devastating effects of COVID-19 on lives and economies, the Park was also able to make significant progress on other ongoing design and construction projects in 2020 due to previously committed public and private funds. Aside from finishing and opening Pier 26, design also continued on the Gansevoort Peninsula and Pier 97 and extensive infrastructure repairs continued at Pier 40 due to previously received proceeds from air rights sales. Excitingly, on December 31, 2020, New York City promised to remove its tow pound and other municipal uses from Pier 76 by the end of January 2021 in response to legislation introduced earlier in the year by Governor Cuomo, freeing the pier at long last to become part of the Park. The finish line for the public park piers and associated upland areas is indeed in sight.

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) and as subsequently amended, and 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. 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) not-for-profit with the mandate to design, construct, operate and maintain the park and be financially self-supporting to the extent practicable.

Since 1998, the Trust has been pursuing its core mission of designing, building, operating and maintaining both the four-mile long portion of the Park located on piers and land and protecting the approximately 400 acres of vital marine habitat that are also included within the Park's boundaries.



Funding for construction has waxed and waned over this period based on the economy. Today, thanks to unprecedented investment from the State and City, the sale of air rights enabled by the State and City, and private philanthropy, FY2021-22 will be very exciting:

- Little Island, also known as Pier 55, will open as a new public park pier with formal and informal performance areas in Spring 2021 funded primarily by the Diller-Von Furstenberg Family Foundation in partnership with New York State and New York City.
- Pier 57, a historic mixed use pier being redeveloped with private funding through a partnership between RXR and Youngwoo, is projected to open 2021 and will include public open space on the rooftop, along a perimeter walkway, and public esplanade as well as an exciting educational facility devoted to the Hudson River

operated by the Park's River Project environmental and education staff. Google will be Pier 57's primary occupant.

- In 2021, the Trust will begin installing millions of oysters through a project known as the Tribeca Habitat Enhancement Initiative as part of Governor Cuomo's Restore Mother Nature Initiative.
- With funding provided by The Whitney Museum of American Art, a monumental public sculpture known as *Days End* will be completed on the southern edge of the Gansevoort Peninsula.
- In 2021, the Trust plans to start construction on the Gansevoort Peninsula and Pier 97 – two of the remaining areas slated to become public park locations within the Park's boundaries. Pier 97 is planned to open at the end of 2022 and Gansevoort in 2023.
- Under Governor Cuomo's leadership, interim public open space will be created at Pier 76 while the pier awaits its long-term future as a mix of public park space and commercial development supporting care of the overall Park.
- Essential infrastructure repairs at Pier 40 will continue, enabling this large pier to continue performing its dual functions of generating revenue for the Park and providing critical active play space for the community through its beloved ballfields.

Aside from these projects, the Trust staff will continue to work with its Board of Directors to advance the balance of the Park.

## PARK COMPLETION PLAN

The narrative that follows describes the status of park completion for all of the areas not shown as complete on the diagram map below. Projects are grouped under one of the following headings: 1) under construction; 2) projects in planning or design; 3) capital maintenance; and 4) remaining park elements. As further described below, the remaining park elements also require land use or other decisions before they can be implemented.

### **Under Construction:**



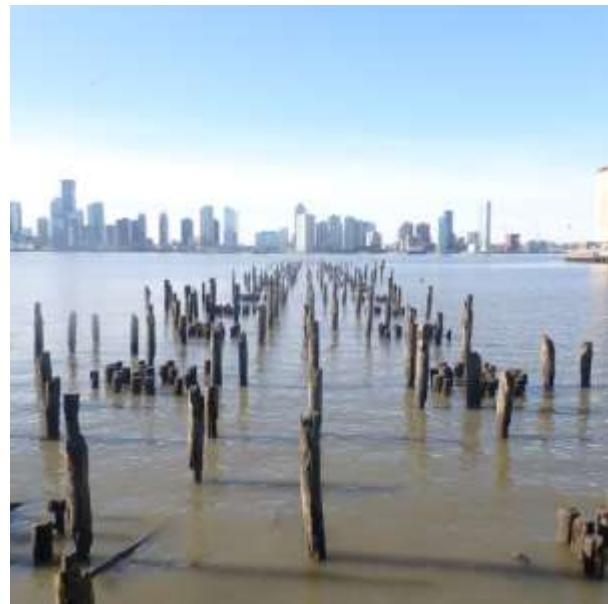
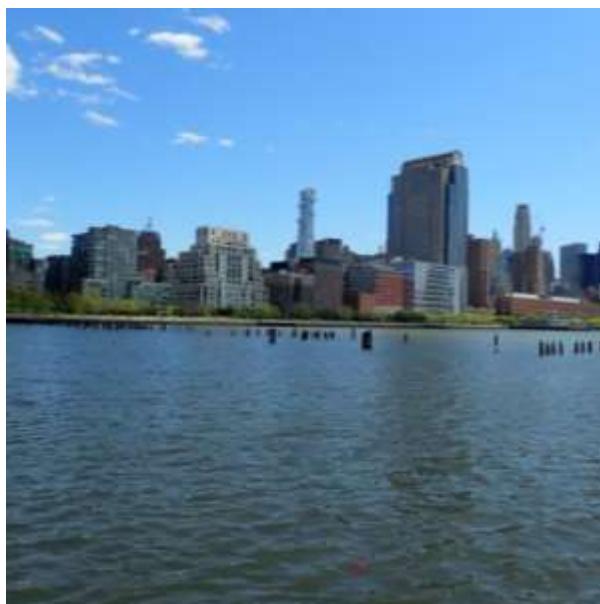
As noted above, several new projects are funded, are currently under construction, and are scheduled for completion this year. From south to north, the projects are: Tribeca

Habitat Enhancements, *Day's End*, Pier 55, and Pier 57, inclusive of the Pier 57 Open Space. (Capital repair projects such as the continuing pile repairs at Pier 40 are addressed at the end of the report.)

## 1. Tribeca Habitat Enhancements

Pier 26 to Pier 34

Tribeca



Hudson River Park includes both an upland portion and a water section known as the Estuarine Sanctuary (the Sanctuary). Under the Hudson River Park Act, Sanctuary uses include conservation of marine resources, environmental education and research, public recreation, and, in certain areas, authorized commercial maritime uses. The Act further contemplates habitat restoration as a permissible activity.

In September 2019, Governor Cuomo announced his intention to implement an oyster and habitat enhancement project in the Tribeca portion of the Sanctuary. In 2020, staff worked closely with the New York State Department of Environmental Conservation and the members of the Research and Enhancement Subcommittee of its Technical Advisory Committee for the Estuarine Sanctuary Management Plan to develop a project that includes up to 304 distinct habitat-enhancing elements between Piers 26 and 34 to improve and enrich the habitat within Tribeca. They proposed enhancement treatments include: (a) locating biohuts around select existing piles and filling the interior cages of the biohuts with seeded oyster shells; (b) adding textured concrete pile encasements with supportive beams on which mussel ropes and oyster bags could be hung within the Pier 32 Pile field; (c) wrapping certain existing piles with mesh fabric containing oyster shells; and (d) installing gabions and reef balls with seeded oyster shells. The elements are intentionally placed to take advantage of existing park infrastructure where possible, including remains of long-gone piers. The project is designed to be scalable over several years based on available New York State funding.

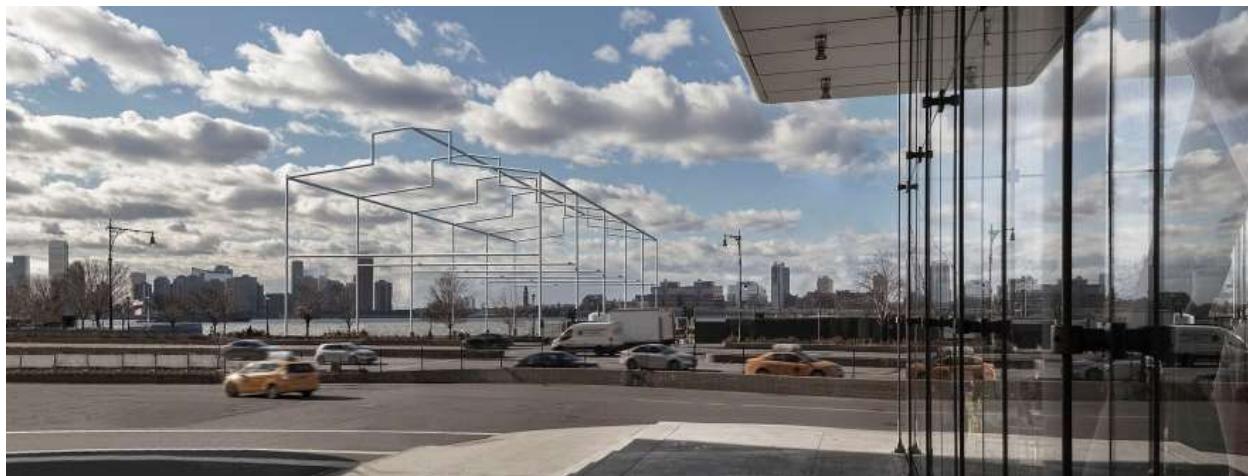
The Trust secured required regulatory approvals for this project in 2020 and procured a contractor to install the work commencing in 2021. The Billion Oyster Project will be providing the live oysters that will be seeded in the gabions and reef balls; the timing of the mobilizations is determined by the rate of oyster availability and seasonality constraints.

## 2. *Day's End* at Gansevoort Peninsula

Horatio-Bloomfield St  
Meatpacking District

In 2018, following a public review process, the Trust's Board of Directors approved a site-specific public art installation entitled *Day's End*, to be installed on the site of the former Pier 52. *Day's End* is being donated to Hudson River Park by the Whitney Museum of American Art, and was conceived by David Hammons, an acclaimed artist with deep roots in New York City. *Day's End* derives its inspiration and name from Gordon Matta-Clark's 1975 artwork in the same location, and is an open, skeletal structure that precisely follows the outline, dimensions, and location of the original structure on Pier 52. *Day's End* will serve as a "ghost monument" to Gordon Matta-Clark's earlier work and will also allude to the changing history of New York's waterfront. *Day's End* will be publicly accessible and will be one of the largest public art installations in New York City.

Construction of Days End began in 2019 following receipt of required regulatory approvals, which were required for the several piles located in the Hudson River. Piles were installed in 2019, and, following fabrication delays resulting from supply chain issues associated with COVID-19, installation of the skeleton is expected to commence shortly. The Whitney Museum expects the sculpture to be completed in Spring 2021.



### 3. Little Island

#### W. 14 St

In November 2014, the Trust and Barry Diller/Diane von Furstenberg announced a plan to replace the dilapidated Pier 54 with an extraordinary new pier combining public park and performance space to be named Pier55. Pier 54 was used by the Trust as a public performance and event space until 2012 when deteriorating conditions forced its closure for safety reasons. The Trust worked with the Diller-von Furstenberg Foundation to conceive a new 2.7-acre public pier dedicated to parkland with performing arts programming. Heatherwick Studio and Mathews Nielsen Landscape Architects designed Pier55, now called "Little Island," with an amphitheater that will serve as one of NYC's premier outdoor venues for free and low-cost events for the creative disciplines.

Construction of Little Island continued on schedule during 2020 and is nearing completion. Over the next few months, contractors will focus on getting the mechanical and electrical systems up and running and completing the back-of-house finishes. All of the trees and sod are in place, with only minor plant materials remaining to be installed in the Spring.

The cost of Little Island is estimated at \$252 million, with most of the funding coming from the donor. The public's share of this project is currently set at \$21.2 million inclusive of utility related work within this zone, with most of the funding provided by the City and State.



Little Island is due to open in Spring 2021. Under the terms of the 20-year lease, the Diller-von Furstenberg Foundation will provide continued operating support to Pier55, Inc., the not-for-profit organization dedicated to operating, maintaining and programming the new pier. In 2020, Little Island invited artists and entertainers to help shape the pier's inaugural 2021 season through the Perform in the Park Submission Series, an open call



for artists. Through this process, Little Island planned to identify performers who can “channel the spontaneity and immersive energy of New York and bring that spirit to life in the dynamic stages and spaces of Little Island, surrounded by nature, water, and city views all at once.” Little Island received submissions from a diverse spectrum of talented artists and is currently creating its preliminary events calendar.

Cuomo announced that New York State is launching New York Arts Revival — a public-private partnership to bring back the arts to our cities as part of New York’s COVID-19 recovery plan. Performances and exhibitions will be held at outdoor sites in New York City and all across the state. Governor Cuomo has identified Little Island as a signature venue and partner in this effort.

#### 4. Pier 54 Connector

##### Gansevoort Peninsula to Pier 57



Directly east of Little Island and extending from the Gansevoort Peninsula to Pier 57 is a project constructed by the Trust using primarily federal transportation funding known as the “Pier 54 Connector.” This project entailed widening the existing esplanade by building a new over-water platform, and then installing decorative pavement, railings, seating and plantings. Most of this work is now complete with the walkway receiving regular use by the general public. However, in 2020, the Trust undertook a

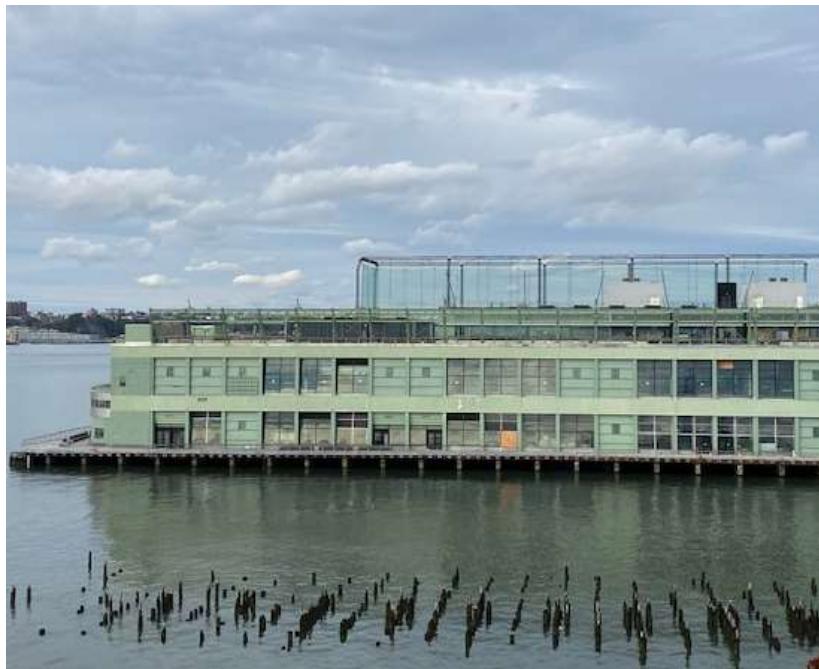
restoration of the original Pier 54 arch which is located within this area. The Trust hired a structural engineer and architectural conservator to help guide the work which is very near completion along with a few other scope items including historic interpretation elements planned to be installed shortly.

## 5. Pier 57 & Pier 57 Open Space

W 14 St to W 17 St

Just north of Little Island is historic Pier 57, a building originally constructed for passenger ships, that is being adapted as a mixed use, revenue-generating pier to help support Hudson River Park's overall care and operations. The completed project will serve as offices for Google, the project's anchor tenant, as well as cultural, recreational and public market activities. The work is being undertaken by a private developer, RXR/Youngwoo & Associates, and includes a high quality historic restoration that meets exacting federal Department of the Interior Standards for design and materials.

In 2020, the first component of Pier 57 opened to the public. City Winery, a beloved local venue for food, wine and live music relocated from its original Hudson Square home and opened in a limited capacity in Fall 2020 due to COVID-19 restrictions. City Winery was later required to close because of tighter pandemic restrictions. It hopes to reopen as soon as possible.



Throughout 2020, interior construction continued on the balance of the pier, including fit-out of Google's office spaces and mechanicals and other work on the ground floor. The Pier 57 developer, the Trust and Google also advanced plans for the indoor environmental education and exhibit space to be located prominently on the ground floor. This interior space will be operated by the Trust's River Project as part of its environmental programming initiatives.

In addition, the Pier 57 developer continued development of the large ground floor interior public open space referred to as the "Living Room" – a mandated all-season public amenity where people can enjoy views of the Hudson River from the south side of Pier 57. RXR/Youngwoo and Google also continued the effort to identify the public market operator – an effort made more challenging due to the pandemic.

As part of the Pier 57 project, the developers are responsible for funding and maintaining over three acres of new public open space both along the water's edge and on the roof estimated to cost approximately \$14.8 million. The public esplanade is already in use; the balance of open space will open by the end of 2021.

## **Projects in Design:**

Several important projects have reached or are nearing the completion of their design phases and will begin construction during 2021. Projects in these categories are listed below from south to north.

### **6. Gansevoort Peninsula Horatio-Bloomfield St**

In 2020, the design team led by James Corner Field Operations completed 100 percent design packages for the Gansevoort Peninsula, an approximately 5.5-acre landmass that was used by the NYC Department of Sanitation for truck parking until 2018. Built on solid ground (as opposed to a pier), Gansevoort has long been slated to be developed into one of the largest green spaces within the larger Park.

In 2019, the Trust and the design team hosted and participated in multiple public meetings to encourage community input on the types of uses most desired, and to assess how these park uses can best be implemented while Gansevoort also continues to host the FDNY's Marine One facility on the north side of the Peninsula and a natural gas pipeline on the south. The community has expressed strong support for the design that has emerged from this process.





Unlike most Park areas, Gansevoort's size makes it uniquely suitable for a large sports field, and the local community advocated strongly for this use during the design consultation process. Another unusual aspect of this site is that it provides an opportunity to create soft edges at both the northern and southern sides of the peninsula. A historic bulkhead runs along almost the entire length of Hudson River Park, precluding direct

river access from most areas. The design for the southern edge of the Park capitalizes on the bulkhead absence through the creation of a stone beach providing amphitheater-style seating and direct access to the water for non-motorized boats. Gansevoort's northern edge will be designed as a salt marsh to provide an ecological habitat.

The design plans for Gansevoort also include many other features for residents and other park users to enjoy – a dog run, a promenade and picnic area along the former Thirteenth Avenue, an outdoor exercise “room” for adult fitness equipment, and an upland beach. There will also be a small food concession along with a park maintenance facility.

In planning the site, the Gansevoort design team has been considering both environmental and programmatic factors, as well as resilience, sustainability, and the complementary presence of *“Day’s End”* (see above).

The total project budget for creating new park with associated features on the Gansevoort Peninsula is estimated at approximately \$73 million. The Trust worked with its construction manager for Gansevoort to develop a bidding and phasing plan to sequence Gansevoort's construction given the site's large scale and the varied programmatic elements.



Unlike most of the public park areas west of the bulkhead, Gansevoort consists of old, poor quality urban fill. The design team's engineers have recommended that clean fill materials be pre-loaded on a portion of the site, principally where the ballfield would be located, for a period of approximately four months to ensure that existing fill is properly compacted and that future settlement beneath

the planned ballfield is not an issue. This process is known as “surcharging,” and the Trust expects to select a contractor to perform this work shortly. All fill delivered to the site for this compaction purpose will then be re-used throughout Gansevoort to achieve the proposed grades.

Including the surcharge procurement, effective January 2021, the Trust is out to bid on four prospective contracts: Gansevoort Peninsula Surcharge Program, General Construction Phase 1, Marine Construction, and Electrical Construction Phase 1. All of this work is also projected to commence during the first half of 2021.

## 7. Chelsea Waterside Park Upgrade

### W 22 St to W 24 St

The section of Hudson River Park known as Chelsea Waterside Park was built by the NYS Department of Transportation prior to Hudson River Park’s existence. Since then, the Trust has completed several necessary replacements and upgrades, including a comprehensive reconstruction project of the existing playground which included a number of new features.

As part of the New York City zoning processes associated with the sales of air rights from Chelsea Piers to two inland Chelsea properties, Manhattan Community Board 4 identified additional improvements to Chelsea Waterside Park as among their highest priorities for the proceeds, which must, by virtue of New York City’s approval of the transfer, be used within the boundaries of Community Board 4. Specifically, Community Board 4 requested a new comfort station, a permanent picnic area, and an enlarged dog run.

The Trust issued a Request for Proposals to hire a design team for this work in 2019, and selected a team led by Abel Bainson Butz (ABB) to prepare the design. The Trust and ABB met with the community in 2019 and 2020 to determine the design program, which grew to include a necessary replacement of the popular artificial turf field once City Council Speaker Corey Johnson identified additional funding for that component. The resulting design is strongly supported by Community Board 4 and the Chelsea Waterside Park Association.



The project includes a comfort station configured as a gateway to the sports field. The building features a unique cladding system and solar panels to reduce the Park's energy footprint. The expanded dog run will have areas for large and small dogs, each with canine water play areas, seating and colored pavement. The popular synthetic turf field will be reconstructed and enlarged to provide a warm up area. The central area of the park, currently a paved walkway, will be transformed into a picnic area and lawn. Pathways lined with trees and lush plantings will provide access to all site elements and the Route 9A crosswalk.

The Trust expects to start construction in 2021. The estimated cost of park reconstruction with bathrooms is approximately \$12.6 million.

## 8. Pier 76

W 35th St

On the final day of a year like no other, New York City announced that it would be removing the tow pound and other municipal uses from Pier 76 by the end of January 2021 to comply with a deadline identified in an amendment to the Hudson River Park Act initiated by Governor Cuomo in 2020. Once the City vacates the pier, the next step will be for the City to transfer it to the NYS Office of Parks & Recreation (OPRHP), after which it will become part of Hudson River Park's boundaries.

The imminent removal of the tow pound from this part of the waterfront will add enormous value to the Park and its growing inland neighborhoods. Under Governor Cuomo's leadership, OPRHP and the Trust are now working aggressively on a plan to demolish the existing pier building, to open up expansive views to the Hudson River and to take the first steps towards converting Pier 76 from a facility for cars to a waterfront park by introducing interim recreational uses. In November 2020, the Trust and OPRHP began discussing such opportunities for interim public recreation on the pier footprint with Manhattan Community Board 4, which strongly supported this opportunity.



As the second largest pier (behind Pier 40), Pier 76 presents an important opportunity for the Trust to create both new parkland and a new source of revenue to support on-going Park operations and maintenance costs. The Act identifies Pier 76 as a location that would provide public park space on at least 50 percent of its footprint, but that would also host eligible commercial uses on needed to help support the care and operations of the overall Park on the balance of the pier.

Identifying a long-term solution for Pier 76 that meets both of these goals will require environmental review and regulatory permitting, new in-water infrastructure given the condition of the existing pier, and potentially legislative changes, beyond public procurement, to identify an appropriate private sector development partner. The Trust will be considering the timing of such processes in conjunction with the State, but they are certain to be lengthy even ignoring the economic challenge brought by COVID. This makes the opportunity available now to introduce interim open space on the pier even more valuable for a community that is very much in need of more open space.

OPRHP and the Trust are pooling their resources to expedite planning for the interim uses, including underwater inspections, environmental assessments and to develop demolition plans. In addition, designers are also in the early stages of considering design concepts for interim park uses that build on the community discussion begun in late 2020. Governor Cuomo has identified delivering Pier 76 to the community as public open space as a high priority in his 2021-22 State of the State address, and the Trust will remain focused on achieving this goal.

## 9. Pier 97 and Associated Upland Area W 57th St to W 59th St

Pier 97, the Park's northernmost public open pier, is slated to become a public recreation space that will serve the expanding residential neighborhood of West Clinton. Adjacent to Pier 97 is a sizable upland area that will also be improved, including a new over-water pedestrian platform connecting Pier 98 with Pier 99. Completion of these three areas, which border the already finished "Clinton Cove" section of the Park, will significantly increase and enhance the extent and types of recreational opportunities available for the public's enjoyment in the adjoining residential neighborhood and beyond.

The Trust was fortunate to have been able to rebuild Pier 97's structural deck some years ago, using approximately \$16.1 million in City funding secured through Hudson River Park Friends. Additionally, in 2020, the Trust completed the marine construction phase of the new Pier 98-Pier 99 pedestrian platform. As a result, there is no costly marine construction remaining as part of the current Pier 97 project.

The estimated total design and construction cost for the pier and upland landscape, a small building intended for a food concession and public restrooms and to support some park maintenance functions, and the lighting and finishes for the pile supported walkway between Pier 98 and Pier 99 is approximately \$44 million.



In Fall 2018, following a competitive selection process, the Trust hired a multi-disciplinary landscape architecture and engineering team headed by !melk to lead the design for this park area. The design team and Trust led two widely advertised community discussions to elicit public opinion about the types of uses and landscape character desired at the pier. In 2019, design concepts and the Schematic design were presented to the public at meetings of Community Board 4 and received enthusiastic support. By the end of 2020, after securing required approvals of the New York City Public Design Commission, the design team was completing 100 percent construction documents and the Trust had commenced procurement for the pier's signature shade structures which have a long lead time for fabrication. The Trust expects to undertake the balance of the procurement in early 2021 and to complete construction of this area in 2022.



Pier 97 will be the largest public pier in the vicinity and will include a variety of active and passive recreational uses. The design includes a playground with water play features, climbing structures, slides and a sand play area. A small flexible synthetic turf play field will be located adjacent to the play-ground. A central gathering space will be surrounded by verdant plantings and feature stepped wooden seating with distinctive shade structures. A sloped sun lawn will be capped by a belvedere and overlook to provide an elevated view over the site and to the river beyond. The far west end of the pier will be a sunset deck and access point to a future historic vessel. A promenade runs the length of the pier on the south side. A distinguishing feature of the Pier 97 project is the introduction of a change in grade that allows for the sloped lawn and elevated belvedere. The project also includes a new park building with a concession, public restrooms, and a park maintenance facility to serve the northern end of the park. The building will be clad in stainless steel panels and feature a screen of horizontal reflective louvers. The finishes on the building aim to reduce its visual impact by reflecting the water, sky and park adjacent to it.

## PROJECTS IN PLANNING

### 1. Pier 26 Estuarium and Adjacent Upland Upland Area Near Pier 26

Plans for the Tribeca park section have always included an “estuarium” – a river research and education facility identified in the Act. Until 2019, the Trust planned for the estuarium to be operated principally by a private university, selected following a public process, in association with the Trust and several participating not-for-profits. In 2019, the Trust determined that in order to deliver this important facility sooner, plans for the facility could be simplified to focus on the core mission of supporting the restoration of the Estuarine Sanctuary through research, education and the opportunity for the public to engage with living marine organisms directly. As a result, the Trust now expects to develop this facility itself, at a somewhat reduced size than was earlier contemplated.

The estuarium is currently planned as an approximately 10,000 square-foot building that will support the Estuarine Sanctuary. Programming will combine compelling research, science education, and aquaria for oysters, shellfish and finfish. Engaging displays will help advance public understanding necessary for effective management, stewardship and protection of the Hudson River Estuary and surrounding water system. Science and outreach about climate change, sustainability and other related concepts about the broader environment consistent with this vision will also be supported.

In 2020-21, the Trust undertook a planning process with Cambridge Seven, an architectural firm with extensive experience on aquaria and science-related buildings. The goal of the contract was to prepare a conceptual study that will allow the Trust to better understand the scale and special needs of the mechanicals and life support

systems needed to support the live fish that are an essential part of the future estuarium planned for the upland area near Pier 26. The NYS Department of Environmental Conservation funded the study through a grant secured by the Trust. Cambridge Seven's team included the Director of Life Support for the National Aquarium, and the Trust learned a great deal from him about flow through and hybrid water systems in particular.

Cambridge Seven and the Trust worked collaboratively to identify a preliminary list of fish species and river habitats that could be showcased for educational and stewardship purposes, and Cambridge Seven then developed preliminary cost and sizing information for the building's mechanical, structural and spatial needs given the assumptions regarding tanks. Cambridge Seven also helped the Trust better understand operational requirements and costs related to fish care.

The Trust has secured more than half of the estimated \$30 million cost to construct the estuarium, with \$5 million of this amount from the Port Authority of NY/NJ, \$4.75 million channeled from NYS Department of Environmental Conservation ("DEC"), and \$5 million from a private foundation. Adjacent to the planned estuarium is a site reserved for an ecologically-themed playground, complete with sturgeon-inspired play equipment. The design for the playground has been prepared by Olin in tandem with the design for Pier 26, and private fundraising is in progress for this area.



## 2. Upland Park

### W 29 St – W. 44 St

The area of the park between West 29<sup>th</sup> Street and the southern edge of Pier 84 at West 44<sup>th</sup> Street includes existing and planned uses, not all controlled by Hudson River Park, and presents numerous planning challenges. The upland area opposite Hudson Yards from 29<sup>th</sup> to 35<sup>th</sup> Streets is among the least improved in the entire Park. The Park area currently includes a relatively narrow paved walkway, an adjacent heliport, and a composting, horticulture, and storage yard with little landscaping.

The portion of the project area centered at the foot of 42<sup>nd</sup> Street is one of the Park's busiest sections, receiving an estimated 4.2 million visitors per year. The area includes a number of tourist and commuter oriented commercial activities such as the Pier 79 ferry terminal, Circle Line tours, World Yacht cruises, and the Intrepid Sea, Air and Space Museum. To the north is the City's Passenger Ship Terminal. Today, these uses are linked by a walkway enhanced by temporary seating and other improvements.



The development of this area as improved parkland is a high priority for Community Board 4, since the local neighborhood is underserved in terms of public open space. In addition, this portion of the Park will also serve the rapidly developing Hudson Yards neighborhood as new residential buildings come on line. Moreover, this section is in close proximity to the No. 7 train expansion, making this area of the Park more easily accessible to residents of Queens as well as Manhattan. The new opportunity for public open space provided now that New York City is vacating the municipal uses at Pier 76 makes this area even more desirable for improvements.

Among the planning challenges for this area is the planned "Gateway Tunnel" for Amtrak and New Jersey Transit. While that project has not yet been formally approved and funded, it is anticipated that construction of the two new rail tunnel tubes may directly affect the area of the Park between approximately 29<sup>th</sup> Street and 30<sup>th</sup> Street. The Trust expects that Amtrak and New Jersey Transit would need to restore and improve any areas of the Park that are disturbed during construction. Just north of the Pier 76 tow pound is Pier 78, which is privately owned; the Trust does not control any aspect of that site. The City will soon be increasing waterborne transportation service to the Pier 79 Ferry Terminal, which may alter existing vehicle and pedestrian traffic patterns.

Last year, the Trust planned to issue a Request for Proposals for a planning and design team for this zone in early 2020 but progress was slowed by COVID. At this time, the Trust expects to commence the procurement process for the design in 2021. As is its practice, the Trust will conduct a community outreach and design process for this area with the design team once it is selected.

The design scope is expected to include requirements for an improved waterside esplanade to link the various activity nodes in this area in a more attractive fashion, landscape features, the Pier 76 habitat beach (see the separate project description below), a permanent composting center for Park operations, and improved vehicular access and egress points. The combined budget for the West 29<sup>th</sup> to West 44<sup>th</sup> Street zone is estimated at approximately \$71.7 million.

### **3. Pier 76 beach area**

**W 34 St to W 35 St**

Immediately south of Pier 76 is an area where there is an existing soft edge rather than the historic bulkhead typical of the rest of Hudson River Park. Plans and permits for Hudson River Park have long included a “beach” where some combination of habitat enhancement, environmental education and/or non-motorized boating could occur. Design of this area will be included with the Upland Park from West 29th St – West 44th Street zone described above.



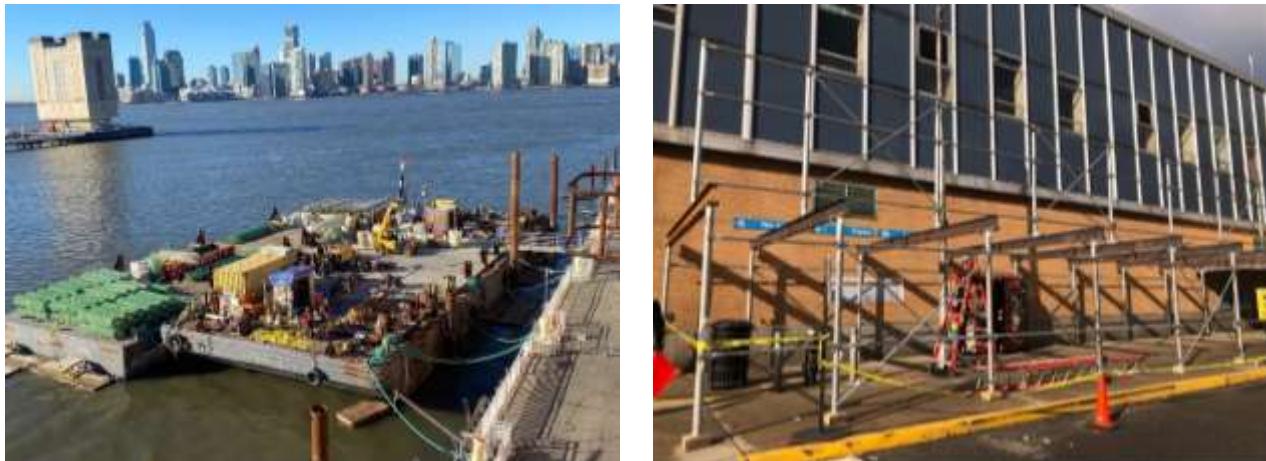
## **CAPITAL MAINTENANCE PROJECTS**

Like all parks, Hudson River Park needs to periodically replace, restore or upgrade heavily used park features, such as fountains, artificial turf ballfields, playgrounds, skate park surfaces and features, pavement, fencing, dog runs, public art, and sports courts. Given the Park’s location in and adjacent to the salty environment of the Hudson River, the Trust must pay special attention to maintaining materials, finishes and park elements that are impacted by the eroding effects of brackish water and moist sea air, such as railings, benches, and some electrical equipment and fixtures. In addition, various floating docks, ramps, moorings and cleats used by kayakers and other public boating users must also be repaired and replaced from time to time.

Because so much of the Park’s infrastructure is located within and over the water, the Trust must also regularly inspect and repair, when necessary, the piles and decks that

support the Park's many public piers as well. Such work is required to ensure the structures remain in a state of good repair throughout their intended design life.

Lastly, within the Park are also a number of inherited assets, many of which were in poor condition at the time the Park came into existence. The original financial plan created when the Park was being proposed did not anticipate the extraordinary costs needed to address these legacy structures. Prime examples of this set of inherited assets are Pier 40, a deteriorated building supported by piles in poor condition, and the historic bulkhead that lines the river for the Park's 4-mile length. Also included among the inherited assets are the historic Baltimore & Ohio Railroad Float Transfer Bridge known as Pier 66a, the arch near Pier 55 dating from the era of the *Titanic*, and soon, Pier 76.

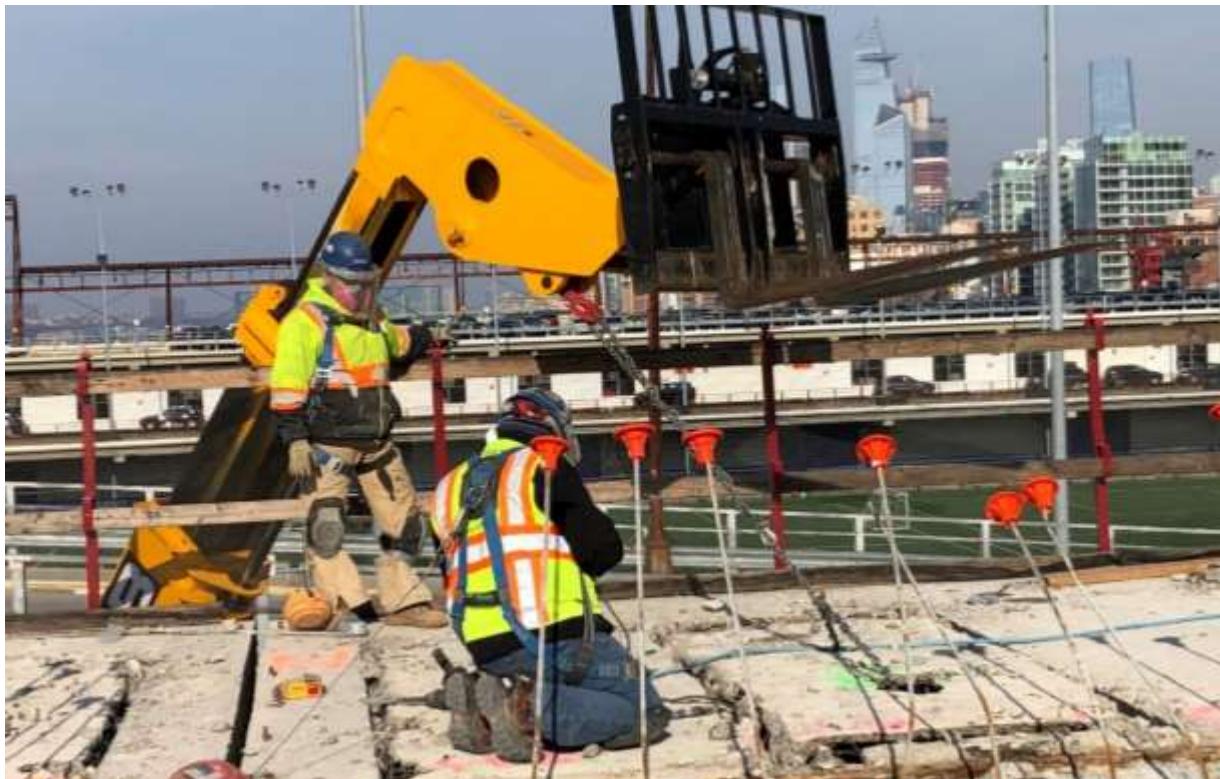


The operating model for Hudson River Park outlined in the Act and the various planning documents that preceded it anticipated that most new construction would be funded publicly by New York State, New York City and other sources where feasible. The Act also stated that “to the extent practicable,” the costs of operating and maintaining the Park should be supported by revenues generated from within the Park’s boundaries. Since inception, the Trust has been successful at generating sufficient revenue to pay for all its operating expenses such as horticulture, facilities, educational programs, public events, sanitation, security, and utilities.

However, the growing costs of capital maintenance -- especially the extraordinary costs stemming from caring for legacy infrastructure and recovery from severe storms – were not anticipated. The Act did not identify a source of funding for capital maintenance costs. For this reason, the Trust has devoted significant effort to develop long- and short-term answers for funding the costs of capital maintenance.

Pier 40 has, by far, been the largest draw on capital maintenance funds since the Park was created, with the Trust originally using its operating reserves to replace entire stairwells and roof sections that were failing. Following a change to the Act and a New York City zoning action, and then working with the community, the Trust was able to sell some air rights from Pier 40 several years ago. This generated the necessary funds for a comprehensive pile repair program that will restore the pier’s structural capacity. As part of that sale, New York City also pledged additional funding for Pier 40 infrastructure. After receiving regulatory approvals, the Trust approved the first two contracts for in-water pile jacketing and pier deck repairs in January 2017; as of January 2021, 2,616 of a total of 3,466 piles have been fully repaired, and work on 526 more piles is in process. The Trust expects to bid the final phase of pile repairs in Spring 2021.

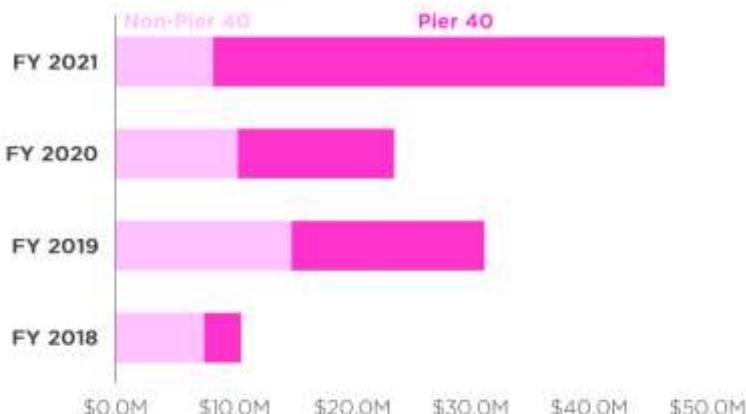
Other infrastructure work in progress at Pier 40 includes roof repairs, façade repairs and fire protection systems. In Fall 2020, the Trust was able to reopen the courtyard ballfields after a comprehensive replacement to help meet the public's immediate need for active open space with funding for this work also provided through the Pier 40 restricted funds. In 2021, the Trust will also undertake a reconstruction of the rooftop field as part of the rooftop infrastructure program. Active contracts currently devoted exclusively to Pier 40 infrastructure total approximately \$65 million.



Once the current repair program is complete, the resources made available from restricted funds such as air rights transfer will be largely depleted. Even then, the mechanical systems, i.e. plumbing and electrical, will still be functionally obsolete and the existing pier building will have other deficiencies, with some building areas still not available for productive use given their condition.

Beyond Pier 40, the Trust must also make other capital repairs. Some occur on a relatively predictable cycle while others do not; unpredictable needs have historically occurred due to severe storms and failures of historic infrastructure, such as bulkhead collapses. For both categories, the Trust has sought and been fortunate to receive State and City funding and grants from local elected officials for many capital maintenance repair and reconstruction projects. As detailed below, New York City Council Speaker Johnson has been especially generous to Hudson River Park in this respect, and Manhattan Borough President Gale Brewer and City Council Member Margaret Chin have also provided critical resources. Future air rights transfers are the other potential tool for the capital maintenance program, but neither approach is a sustainable long-term solution for the future.

#### **GROSS CAPITAL MAINTENANCE COSTS BY USE (BEFORE REIMBURSEMENTS)**



new piers and open spaces come on line over the next few years, meaning that the amount of surplus income that can be allocated for capital maintenance is also likely to be reduced.

Without sufficient funding in the future, essential capital maintenance may need to be deferred (thus reducing the quality of park components and potentially increasing their eventual repair or replacement costs as well), or diverting operating income to urgent repairs (which may result in reductions to park services such as sanitation, security and programs). Clearly, neither of these options is desirable. Prior to COVID, these challenges were under discussion among the Trust Board, community representatives and elected officials and are likely to resume again once the financial effects of COVID on the State, City and Trust are better understood.

Annual capital maintenance expenditures are expected to moderate once the ongoing Pier 40 pile restoration project is completed in 2022, but projected expenditures in subsequent years will still exceed the annual operating surpluses. While such surpluses have been able to support some capital maintenance costs in the past, they often fall short of the entire costs of annual capital maintenance. In addition, costs of operating the park will increase as the

#### **PARKWIDE REVENUE NEED**



## HUDSON RIVER PARK ESTUARINE SANCTUARY

The Trust continues to advance its mission to protect and enhance the Park's existing marine habitat of approximately 400 acres of estuarine sanctuary through multiple partnerships and approaches. The Act required the Trust to prepare an Estuarine Sanctuary Management Plan (ESMP), which has provided guidance on balancing the needs of various park purposes while monitoring and enforcing park policies, laws and regulations to manage and protect the sanctuary.

Several of the permanent park projects identified above have been designed to enhance the estuarine sanctuary and/or increase knowledge about it: Tribeca Habitat Enhancements, the Estuarium, Gansevoort Peninsula salt marsh and enhancements, the Pier 76 habitat beach area and the Estuarine Sanctuary Tech Classroom at Pier 57. In Tribeca, the tide pools and marsh grasses constructed as part of the recently completed Pier 26 project are already being monitored for performance and utilization by estuarine organisms, and a small dock for water quality monitoring and other River Project activities is nearly complete in the area between Pier 25 and Pier 26.



Throughout 2020-21, the Trust's River Project staff continued its work on the Estuarine Sanctuary Management Plan (ESMP). As part of this process, a Technical Advisory Committee (TAC) comprised of experts in research, habitat enhancement, environmental education and access to the water has helped River Project staff develop and refine Action Agenda items for the period between 2021 and 2030. The Trust plans to conduct a public hearing process in 2021 to solicit feedback on the proposed Action Agenda before finalizing it later this year. The Trust expected this process to occur in 2020 but the demands created by COVID resulted in a delay in completing the draft document.

At Pier 40, the Trust began making upgrades to the River Project's Wetlab space to make it a more hospitable location for both research and education. Using a grant secured from NYSDEC, the Trust purchased and installed a small trailer within the space to create a contained lab. The lab will improve the Trust's ability to conduct certain research activities, such as the Park's environmental DNA project that continues in partnership with Cold Spring Harbor Lab and the ongoing pathogen testing performed as part of the Citizens' Water Quality Testing Program led by NYC Watertrail Association. In addition, the Wetlab space will continue to host small groups of students and the general public once visitors can safely return given COVID. Visitors will also be able to enjoy a new microscope

projection system funded by the National Fish and Wildlife Foundation as another way to connect with the River.

The Park's River Project team advanced a number of other research and educational initiatives as well, many in partnership with universities, scientific and community organizations. As just one example, the Trust received a 2.5 year National Institute of Health grant in partnership with a science education group called Killer Snails. Dr. Mande Holford, co-founder of Killer Snails and chemist at Hunter College and the American Museum of Natural History, asked the Trust to become a partner in this grant after learning about the Trust's ongoing Pier 32 oyster wrap research project. Ultimately, the goal of this project is to create Artificial Reality (AR) resources that teach about the importance of water quality and impact of environmental pollutants, potentially by study of the Eastern oyster. The AR tools will be trialed by students and community members who connect with the Sanctuary through the Park's programing.



Finally, despite the limitations of in-person environmental education created by the pandemic, the Trust sustained its robust science education programming inspired by and focused on the Sanctuary throughout 2020-21. The Trust's education staff developed a series of digital educational resources for teachers, students and families to engage with the Sanctuary from home. To date, there are 25 publicly-accessible lessons that include

hands-on experiments and activities to teach fish ecology, plankton, pollution, human impacts and more. Beyond these lessons, the Trust also offered a wide range of digital public education programs for New Yorkers to learn about the Sanctuary from anywhere reaching over 21,000 people in 2020.

## REMAINING PARK ELEMENTS

In addition to the projects listed above, the two essential remaining piers needed to secure the Park's long-term financial health are Pier 40 and Pier 76. As designated "park/commercial" piers under the Act, both piers are intended to be redeveloped privately for a combination of public open space and revenue generating uses that would help support the entirety of Hudson River Park's continuing care and operations. Prior to the establishment of Hudson River Park in 1998, the successful Chelsea Piers sports complex was constructed using a similar model. Currently, Pier 57 is another example of a project in this vein. In each of these cases, the private developer paid for the construction of the pier inclusive of the open space, but also pays continuing rent to the Trust.

Pier 40 is the largest property in the Park and is home to enormously popular athletic fields, a variety of not-for-profit uses, administrative and operating facilities of the Trust, a commercial parking garage, commercial excursion vessels and other uses. For the fiscal year ending March 31, 2021, the Trust estimates netting approximately \$8.5 million in operating revenue from Pier 40, but this is before consideration of capital maintenance costs for this deteriorated structure. The building is well past its useful life and, as described above, essential repairs to its core systems have been in required and in process for a number of years.



Several years ago, the Trust worked with the local community and NYC Department of City Planning to secure approvals to sell 100,000 square feet of air rights from Pier 40 to an inland developer in exchange for \$100 million. Aside from permanently reducing the amount of development that can occur at Pier 40, the infusion of funding has allowed the Trust to proceed with an urgently needed pile repair program. An additional \$14.1 million was made available by the City to address other Pier 40 building infrastructure deficiencies as part of the air rights approval. City Council Speaker Corey Johnson provided additional funding this year in support of dugouts and other amenities for the Pier 40 courtyard fields.

Once the currently funded repairs at Pier 40 are complete, the Trust will have addressed the pier's principal structural deficiencies, yet the pier will still not be living up to its full potential for contributing financially to the support the operations of the overall park and creation of public open space on the pier itself.

Pier 76 is currently supported by approximately 6,500 wooden piles that have begun showing the effects of damage from marine borers. Though the pier remains structurally sound at this time, the piles will ultimately need to be replaced with concrete piles to support public park uses in the long term as well as prospective commercial uses. This

work alone will be extremely costly, and once the piles have been replaced, there will be additional costly work to create the public open space and any commercial building.

From January through March, 2020, the Trust worked with elected officials as well as Community Board and Advisory Council representatives on holistic park planning for both Pier 40 and Pier 76. The process considered new opportunities for open space as well as the Park's projected financial needs in the future. Task Force members discussed ideas for potential new revenue sources that could offset development pressure at both piers, and also explored preliminary ideas for development footprints that could maximize open space opportunities, and the Trust was on track to make legislative recommendations based on the Task Force planning process by May 1, 2020 as originally requested by Governor Cuomo. COVID halted this process, and it is clear that the pandemic has created economic uncertainty for both the private and public sectors. In view of this, the Trust believes it is premature to recommence long-term planning for either pier at this time, though it will continue to reassess the timing of long-term planning in close coordination with New York State and New York City. In the meantime, as detailed above, the Trust is focused with New York State on creating interim public park uses at Pier 76 thanks to the leadership of Governor Cuomo and to the City vacating the tow pound.

## CAPITAL BUDGET SOURCES AND USES

To date, Hudson River Park has benefited from State and City appropriations, as well as federal and private funding and funding commitments, and air rights sales. Currently, projects valued at approximately \$520 million are either in construction, planning or design stages.

Capital budget funding from New York State and New York City is far and away the largest funding source for Park construction. As anticipated in the Act, the Trust has also pursued private contributions and grants. Most notable is the extraordinary contribution from philanthropists Barry Diller and Diane Von Furstenberg, through their family foundation, for Little Island – a striking new public park now under construction which will feature lawns, a public plaza and a 750-seat amphitheater for cultural performances. This donation is the second largest donation to a public open space project in the entire United States.

Over the years, the Trust has also sought, and been fortunate, to receive grants and other appropriations for specific capital maintenance and special projects from elected representatives from the State, New York City Council and the Manhattan Borough President.

In a remarkable coincidence, the districts of two City Council speakers have directly included a large geographic area of the Park, and the Park has benefited tremendously from their support of Park initiatives. For example, the current City Council Speaker, Corey Johnson, has allocated a total of approximately \$11.1 in capital funding to the Park during his tenure. Recent and current projects for which Speaker Johnson has provided key funding include the rooftop and courtyard fields at Pier 40, tennis courts, the Pier 84 dog run and approximately \$3.7 million towards Phase 2 of Chelsea Waterside Park's reconstruction. Previously, Speaker Johnson has also contributed to the LGBTQ Memorial in Greenwich Village, renovations to Pier 45, the reconstruction of the Pier 51

and Chelsea Waterside Park playgrounds, and the purchase of composting equipment and security cameras.



Other elected officials also provide important support to the Park. Borough President Gale Brewer is currently contributing towards Chelsea Waterside Park's reconstruction, and she has in the past supported additional capital reconstruction projects at Piers 25, 45, 51 and 84 – collectively over \$1 million. Council Member Margaret Chin has provided over \$500,000 for Tribeca security cameras and basketball courts, Pier 25 playground improvements, and contributed to the LGBTQ Memorial at Christopher Street. New York State Assembly Member Richard Gottfried provided \$700,000 in support of Chelsea Waterside Park, and New York State Senator Brad Hoylman contributed \$100,000 for Chelsea Waterside Park and \$513,000 to install hydration fountains throughout the Park – a measure that furthers the Park's ongoing sustainability and plastic reduction efforts.



Hudson River Park Friends has been instrumental in leading several successful campaigns to raise funds for the renovation to of the Chelsea Waterside playground, and for other playground repairs in Tribeca and Greenwich Village after Hurricane Sandy. In 2018, their efforts allowed the Trust to complete an ambitious reconstruction of the highly used Chelsea Waterside play resource. City Council Speaker Corey Johnson, Assembly Member Dick Gottfried and Senator Brad Hoylman each contributed significant funding to this project as well. Friends is currently conducting a capital campaign to raise the funding required for the science-themed playground planned to be adjacent to the

Estuarium. In addition, successful litigation by Friends resulted in the Trust receiving approximately \$23 million that will be used for the final phase of construction at the Gansevoort Peninsula.

The Trust will continue to pursue grants and other public funding opportunities to advance the completion of the Park.

## OPPORTUNITIES AND CHALLENGES

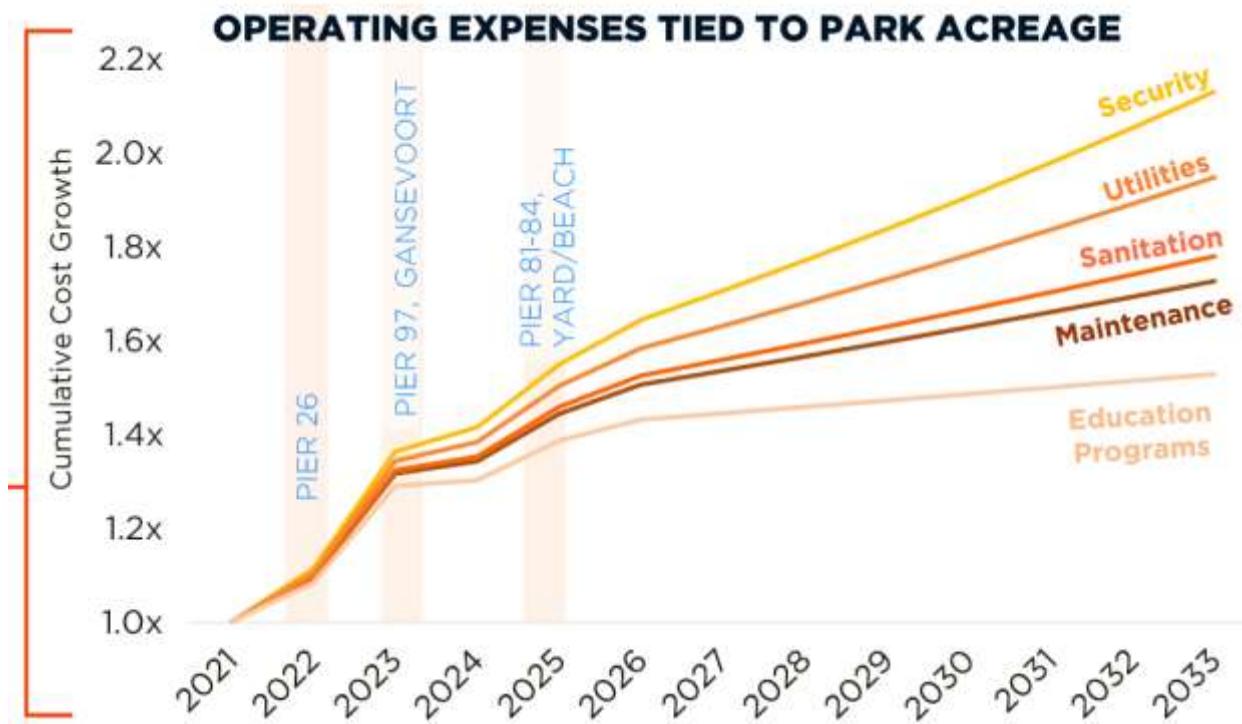
Hudson River Park was established on the principle that it would be financially self-supporting to the extent practicable.

As noted above, Hudson River Park will be expanding over the next few years, and operating costs will increase once Pier 26, Gansevoort Peninsula, Pier 55, the West 29<sup>th</sup> – West 44<sup>th</sup> Street area, and Pier 97 open for public recreation. A bigger park means more maintenance, more security, more trash removal, more landscaping and so on. In addition, the Trust aspires to a continuing effort to increase habitat enhancement and research projects in the Park, and to continue its existing environmental and public programming.

To help fund future capital maintenance, the Trust sought and secured a change to the Act in 2013 that allows for the sale of unused air rights from designated commercial piers subject to approval under local zoning. Proceeds from the first air rights sale are currently enabling the repair of the piles and some other infrastructure at Pier 40. The Trust has also set aside 20 percent of the proceeds from the two subsequent 2018 air rights sales associated with Manhattan Block 675 for future capital maintenance in the Park area north of 14<sup>th</sup> Street. While the Park has some additional air rights that could potentially be sold, doing so requires first an inland developer within a designated area to be interested in purchasing such air rights, and second, requires approval through the City's land use process.

Aside from these sources, the Trust regularly seeks grants from elected officials and agencies to support specific projects, but must compete with other State and City parks and resources to do so. Grants are inherently unpredictable as a funding stream.

In the long term, the Park needs a sufficient and predictable income stream to meet the ongoing challenge of increased operating costs and recurring capital maintenance needs. The framework of the Act demands that the Trust continue to push forward on considering untapped revenue potential from Pier 40 and Pier 76 while also creating needed community recreational space at both piers. In addition, other possibilities can be explored with elected officials and the community, such as reconsideration of the Neighborhood Improvement District once proposed by Friends of Hudson River Park. To ensure the Park remains healthy long into the future, it is likely that multiple solutions will need to be implemented, particularly so that no one pier or park area has to assume too much of the overall park's operating burden.



## FUNDING SUMMARY

The following chart identifies the elements of Hudson River Park that are still incomplete, and identifies, for each, the estimated construction cost for the fiscal year commencing on April 1, 2021.

Capital Plan for New Park Construction: FY2021-22		
Use of Funds (Capital Project)	FY 2021-2022	Funding Source
Pier 26 Park*	\$100,000	Restricted
Pier 26 Estuarium**	\$250,000	Restricted
Gansevoort Park (including marine and buildings)*	\$28,509,658	NYC
Pier 55 (HRPT Portion)*	\$2,150,000	NYS/HRPT
W29th to W44th Incl. Habitat Beach**	\$500,000	Air Rights
Pier 97 Park (including marine platform and building)*	\$20,734,802	NYS
Estuary Enhancements *	\$2,007,940	NYS
Other Parkwide Projects**	\$3,082,644	Air Rights /HRPT
<b>TOTAL</b>	<b>\$57,335,044</b>	

Where designs for capital projects have not yet been prepared, cost estimates are preliminary and based on previous construction in Hudson River Park, adjusted for inflation. Costs assume a phasing schedule with annual escalations. Projects denoted with asterisk\* are presently under construction, those with asterisk\*\* are presently under planning and/or design.

Additionally, because construction projects typically occur over the course of more than one fiscal year, the chart below was prepared to show the estimated full construction cost of each project identified in this report, and, where known, funding sources.

CAPITAL PLAN - SOURCES & USES NEW PARK CONSTRUCTION							
Use of Funds (Capital Project)	Estimated Cost (\$ millions)	NYC Available	NYS Available	Restricted Available	Private Available	Air Rights	Source Unknown
Pier 26 Estuarium**	\$30.0		\$11.8		\$5.0		\$13.2
Pier 40 Infrastructure*	\$121.6	\$14.1	\$2.0		\$5.5	\$100.0	
Gansevoort Park (including marine and buildings)**	\$73.1	\$50.0		\$23.1			
Pier 54 Connector*	\$21.0		\$18.0	\$3.0			
Pier 55 (HRPT Portion)*	\$21.2	\$17.0	\$3.7	\$0.5			
Pier 55 (Donor Construction)*	\$231.3				\$231.3		
Pier 57 Open Space (Developer Construction)*	\$14.8				\$14.8		
Chelsea Waterside Expansion**	\$12.6	\$3.6				\$9.0	
W29th to W44th Incl Habitat Beach**	\$71.7	\$23.0	\$23.0			\$25.7	
Pier 97 Park (including marine platform and building)*	\$44.0		\$40.1			\$3.9	
Estuary Enhancements **	\$2.0		\$2.0				
Other Parkwide Projects**	\$8.0	\$8.0					
<b>TOTAL</b>	<b>\$651.3</b>	<b>\$115.7</b>	<b>\$100.6</b>	<b>\$26.6</b>	<b>\$256.6</b>	<b>\$138.6</b>	<b>\$13.2</b>
<b>PERCENTAGE DISTRIBUTION</b>		19%	16%	4%	39%	20%	2%
Note: Where designs for capital projects have not yet been prepared, cost estimates are preliminary and based on previous construction in Hudson River Park, adjusted for inflation. Preliminary costs have not yet been estimated for public space creation and improvements at Pier 40 and Pier 76 as conceptual plans and programming for those areas have yet to be developed; potential infrastructure costs for the pile-supported Pier 76 have not yet been analyzed or estimates prepared. Certain bulkhead areas adjacent to identified projects have not yet been surveyed or their associated repair costs assessed. Costs assume a phasing schedule with annual escalations. Projects denoted with asterisk* are presently under construction, those with asterisk** are presently under planning and/or design.							