

Presentation of Proposed New Lease with Chelsea Piers

**Manhattan Community Board 4
Waterfront, Parks, Environment Committee**

February 10, 2022

Chelsea Piers & Hudson River Park

- **Largest Commercial Tenant**
- **Largest Commercial Rent Generator**
- **HRPT Inherited Lease Between State Department Of Transportation And Chelsea Piers**
- **Current lease expires 2043**

Benefits of New Lease

- **Modern Commercial Lease**
- **New Opportunities to Enhance Revenue**
- **Better Integration With Surrounding Public Open Space**

Proposed Lease Summary

TERM: 34 Years With One Option For One 10 -Year Renewal

USES: Primarily same as current

- **Sport and Recreation (*New – Minimum Requirement Amount*)**
- **Restaurants and Catering**
- **Marina and Cruise Boats**
- **Movie, TV and Media Production**
- **Office (2nd Floor Of Headhouse)**
- **Museum / Exhibitions**
- **Retail (*Newly Includes Art Galleries*)**

Proposed Lease Summary

EXAMPLES OF LEASE CONTROLS

- **Trust Review Required For Expansion of Catering, Restaurants, and Retail**
- **At Least 2/3 Of Uses Along “Sunset Strip” Interior/Waterfront Walkway To Be “Public Facing” (Food, Sports, Recreation or Retail)**
- **Nightclubs and Other Uses that Could Generate Noise Beyond Individual Businesses Not Allowed**
- **Dinner Cruises Not Allowed To Operate As Floating Restaurants / Party Spaces While Docked**
- **To Protect Estuary Sanctuary—
No “Cigarette” Style Speed Boats
No Jet Skis**
- **Public Toilets Requirement**

Proposed Lease Summary

HIGHER BASE RENT

\$4.4 Million, Increasing By CPI Every 2 Years
Current Rent \$4.1 Million Increasing By CPI

BASE RENT ADDITIONAL INCREASES

7.5% In 2032

10% In 2043

5% In 2056 (If Lease Renewal)

HIGHER PERCENTAGE RENT

Paid On 5% Of Revenue Over Upper Threshold

Current 4% Above Upper Threshold

NEW TRANSACTION RENT

2.5% Of Proceeds

Current No Transaction Rent

PAYMENT IN LIEU OF REAL ESTATE TAXES (PILOT)

Equals Full Taxes

Same As Current, \$4.4 Million This Fiscal Year

Proposed Lease Summary

EXPENSES

Chelsea Piers Pays:

- **All Operating Expenses**
- **Infrastructure Repairs, Including Costly Piles**
- ***Trust May Provide Partial Rent Credit for Cost of Enhanced Public Access Improvements***

COMMUNITY CONSULTATIONS

- **Job Openings To Be Posted with Community Board 4**
- **Chelsea Piers Required to Meet Annually With Community Board 4 to Review Performance and Solicit Feedback and Respond with Proposed Resolutions to Concerns Raised By the Community**

Proposed Lease Summary

SITE IMPROVEMENTS

- **Chelsea Piers Will Implement Pedestrian Access Improvements**
- **New Wayfinding Signage**
- **Additions to On-Site Traffic and Pedestrian Management Across the Entire Site**



CHELSEA PIERS

In Hudson River Park



Also at the Piers

Pier Sixty, Lighthouse, and Current: three of Manhattan's premier event spaces with sweeping views of the Hudson River.

Silver Screen Studios: TV and film production spaces. Home to some of TV's most well known and longest running shows: Law & Order: SVU.

Maritime Center at Chelsea Piers: dinner and sightseeing cruises, small boat and marina docking.

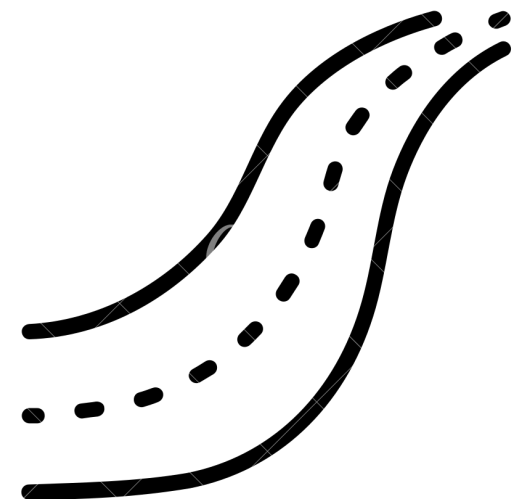
Pier 59 Studios: the largest fashion and photography studio in North America.



Public Access Improvements

GOAL

Greatly improve pedestrian experience and increase accessibility of dedicated public pathways within and through Chelsea Piers



**ELIMINATING
PINCH POINTS**



**WATERFRONT
ACCESS**

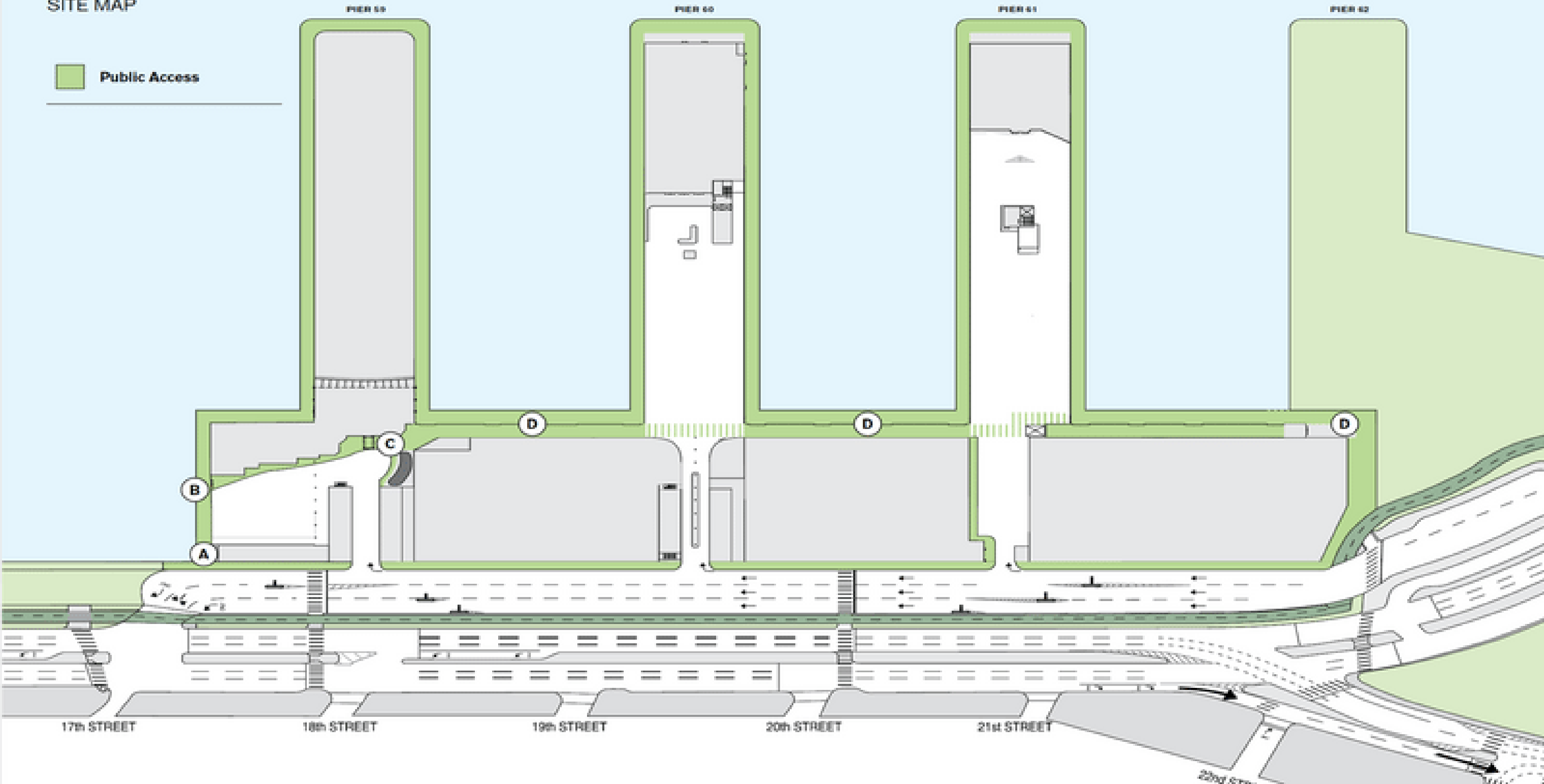


**SAFE AND
OBVIOUS
PATHWAYS**

CHELSEA PIERS - EXISTING PUBLIC ACCESS

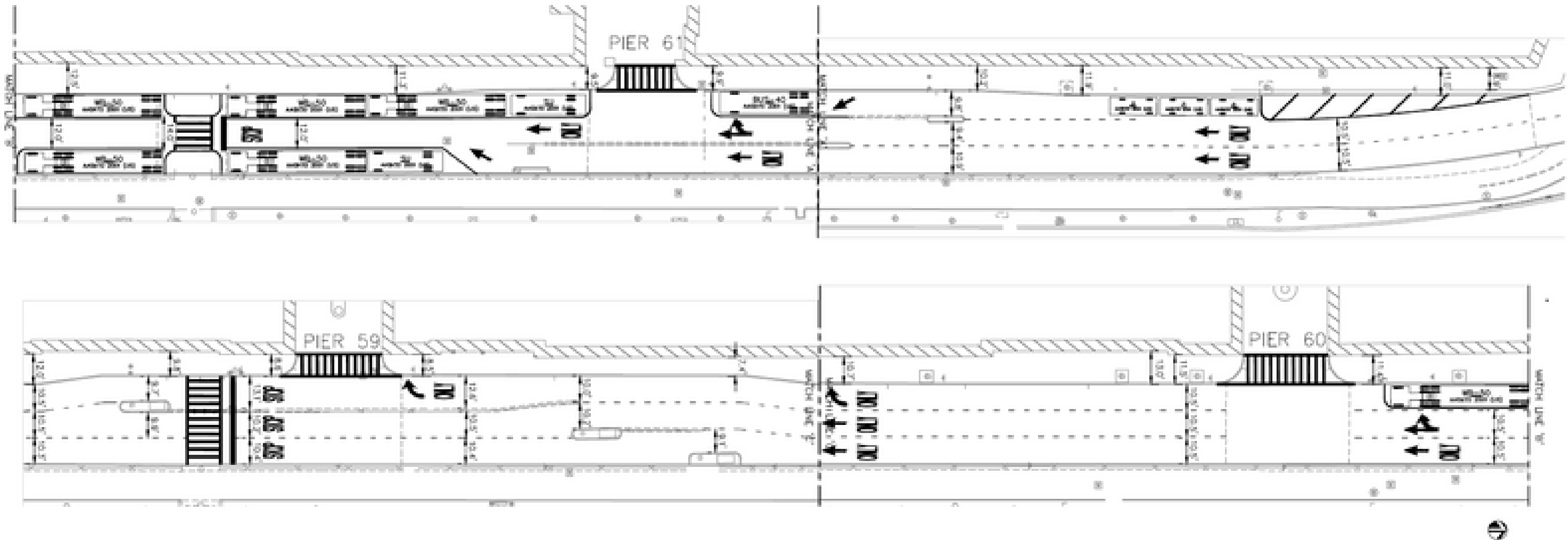
SITE MAP

 Public Access



Eastern Sidewalk Existing Conditions

Shared by pedestrians, bikes, and vehicular traffic

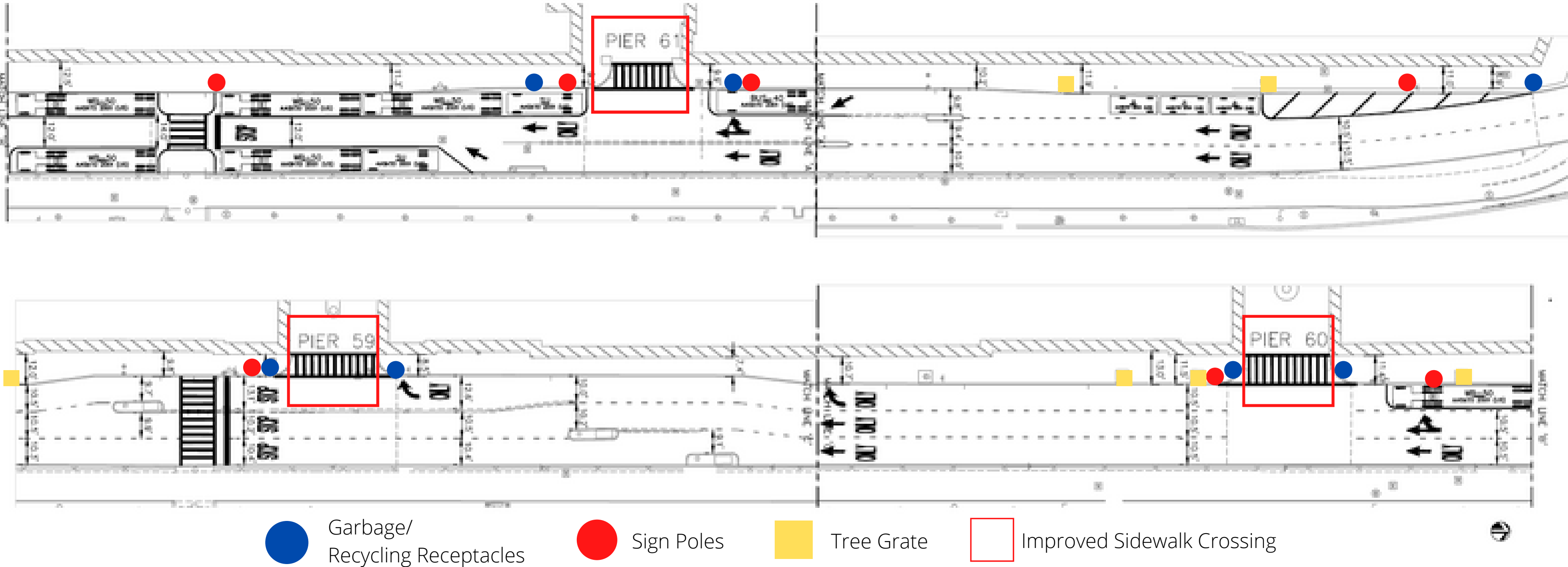


Existing Conditions

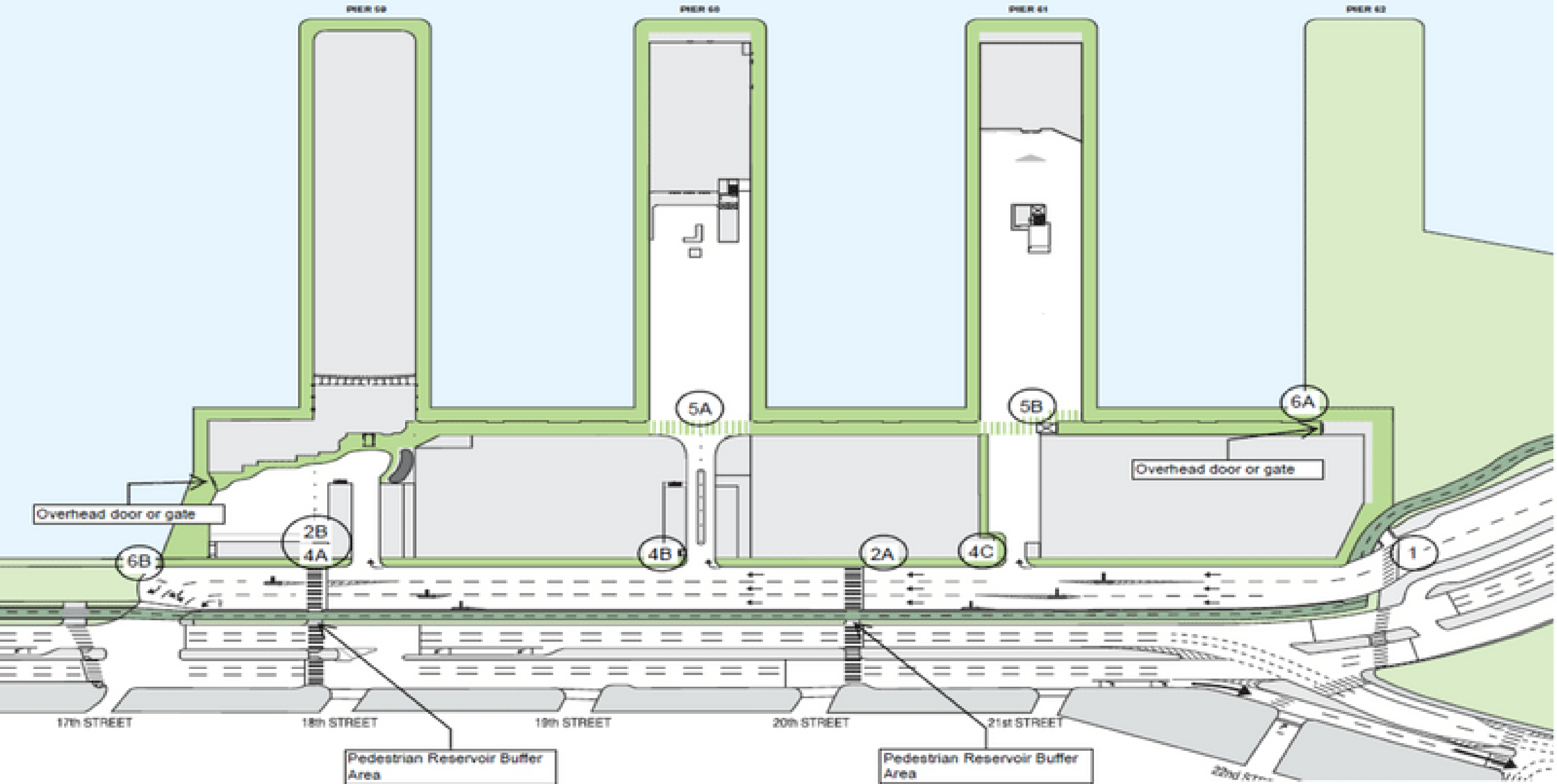


Eastern Sidewalk Improvements

- Remove pedestrian obstructions and modifications to the existing Service Road Sidewalks to improve pedestrian flow
 - Remove all garbage and recycling receptacles off sidewalk
 - Remove signage poles
 - Remove tree grates



CHELSEA PIERS TRAFFIC MANAGEMENT PLAN



Existing Conditions



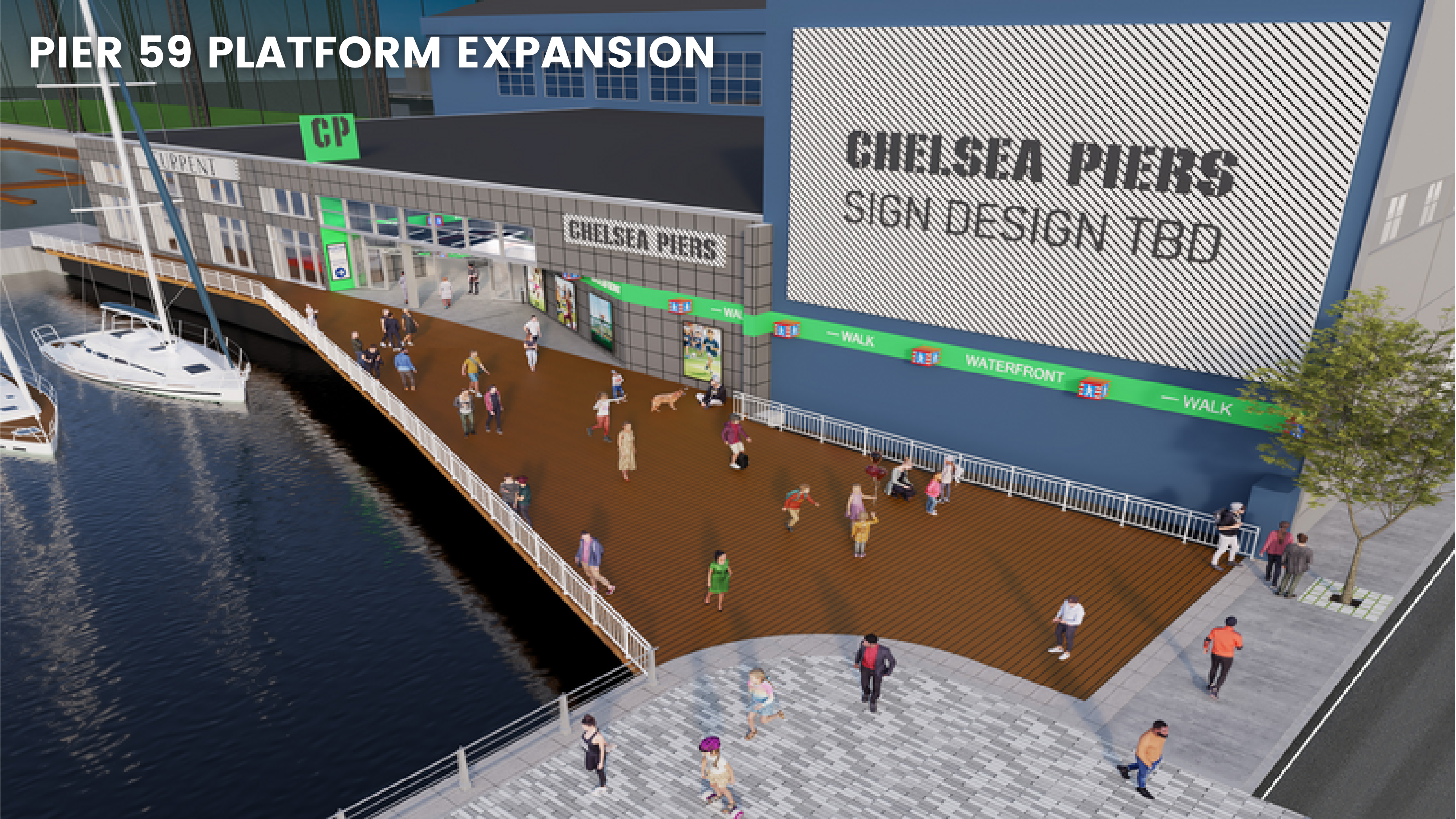
PIER 59 PLATFORM EXISTING CONDITIONS



PIER 59 PLATFORM EXISTING CONDITIONS



PIER 59 PLATFORM EXPANSION



CP

WATERFRONT

CHELSEA PIERS

CHELSEA PIERS
SIGN DESIGN TBD

WALK

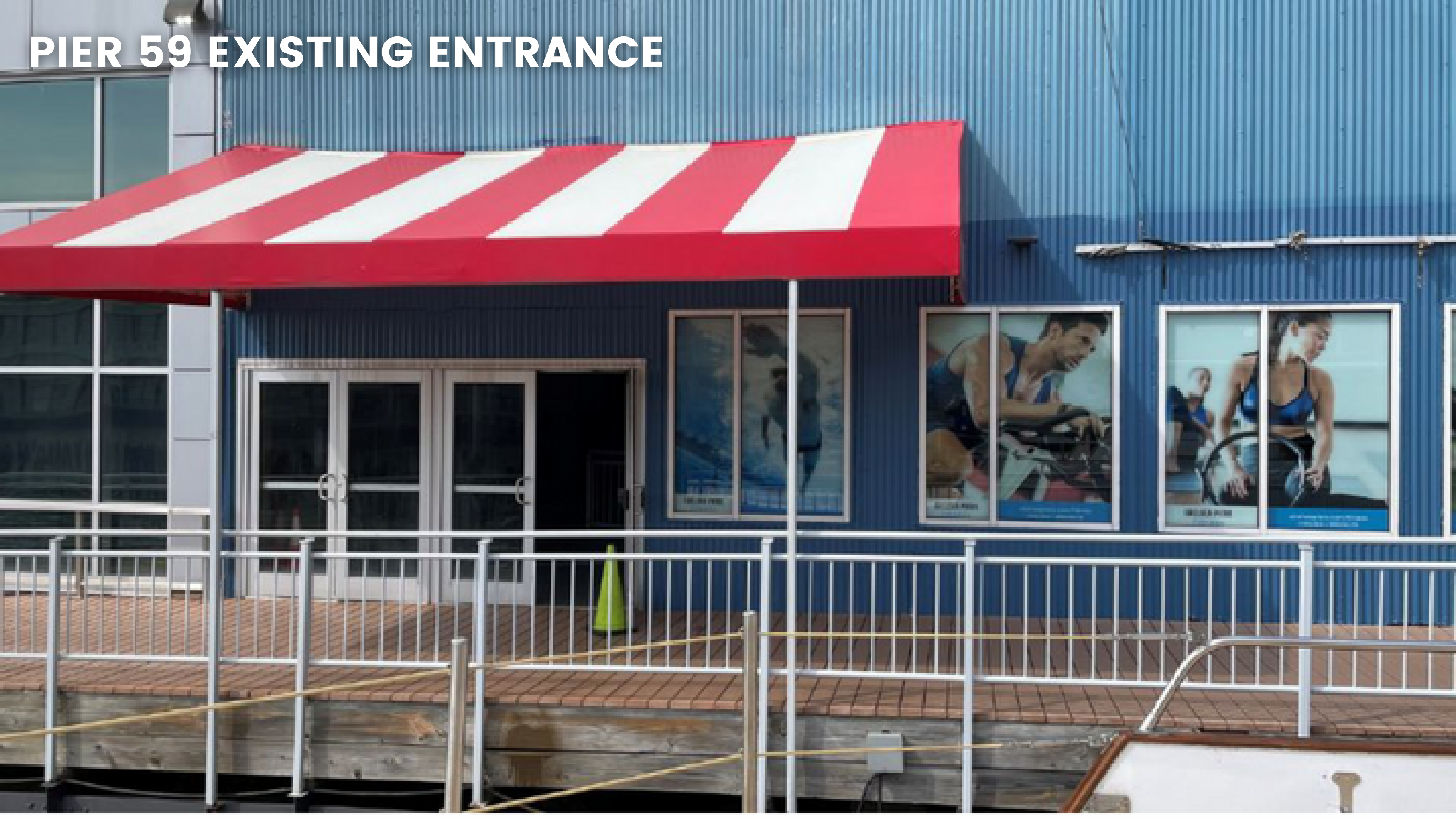
WATERFRONT

WALK

PIER 59 PLATFORM EXPANSION



PIER 59 EXISTING ENTRANCE



PIER 59 ENTRANCE IMPROVEMENT



CHELSEA PIERS PUBLIC ACCESS

SITE MAP

- Public Access

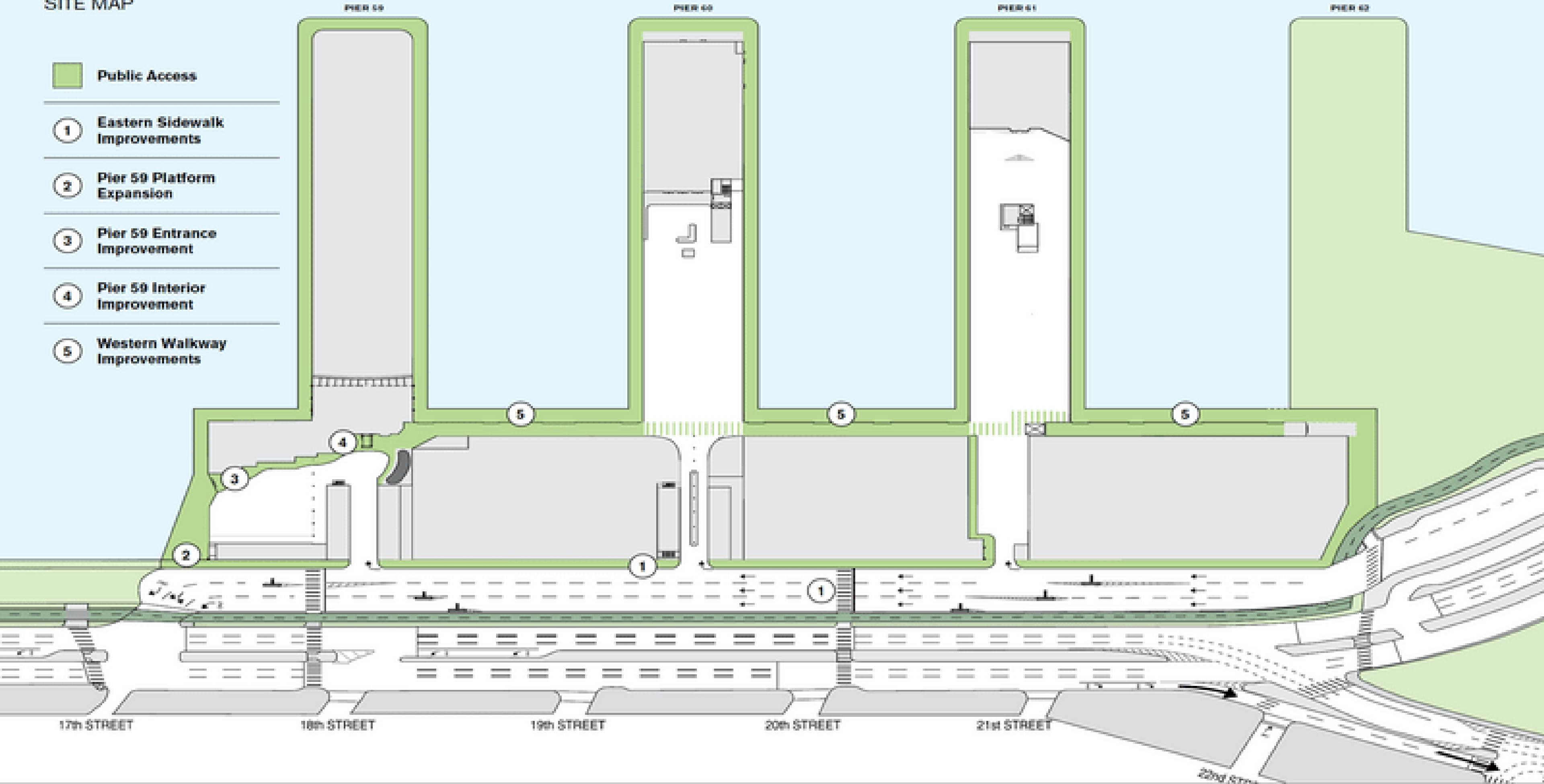
- 1 Eastern Sidewalk Improvements

- 2 Pier 59 Platform Expansion

- 3 Pier 59 Entrance Improvement

- 4 Pier 59 Interior Improvement

- 5 Western Walkway Improvements



PIER 59 EXISTING INTERIOR



PIER 59 INTERIOR IMPROVEMENT



PIER 59 EXISTING INTERIOR



PIER 59 INTERIOR IMPROVEMENT



WESTERN WALKWAY

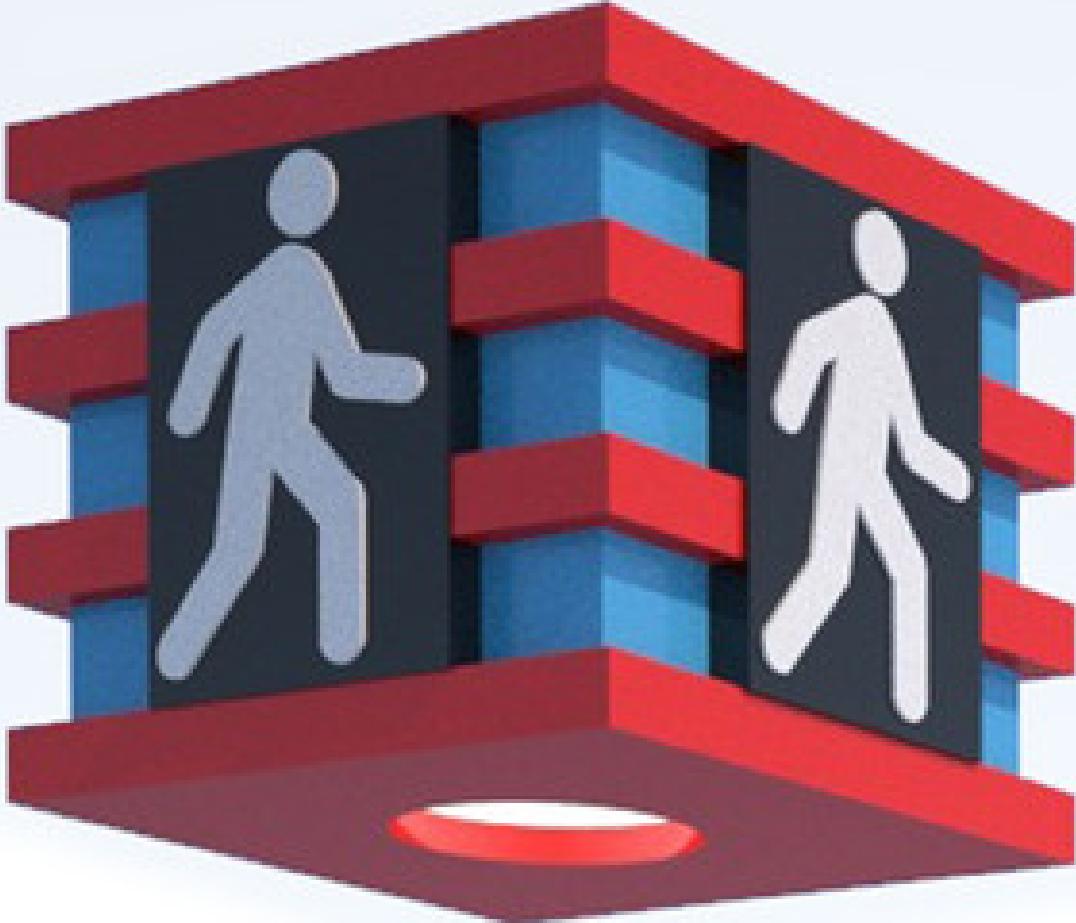


Key Wayfinding Signage



Standard Hudson River Park Signage

Preliminary Light Box Design Concept

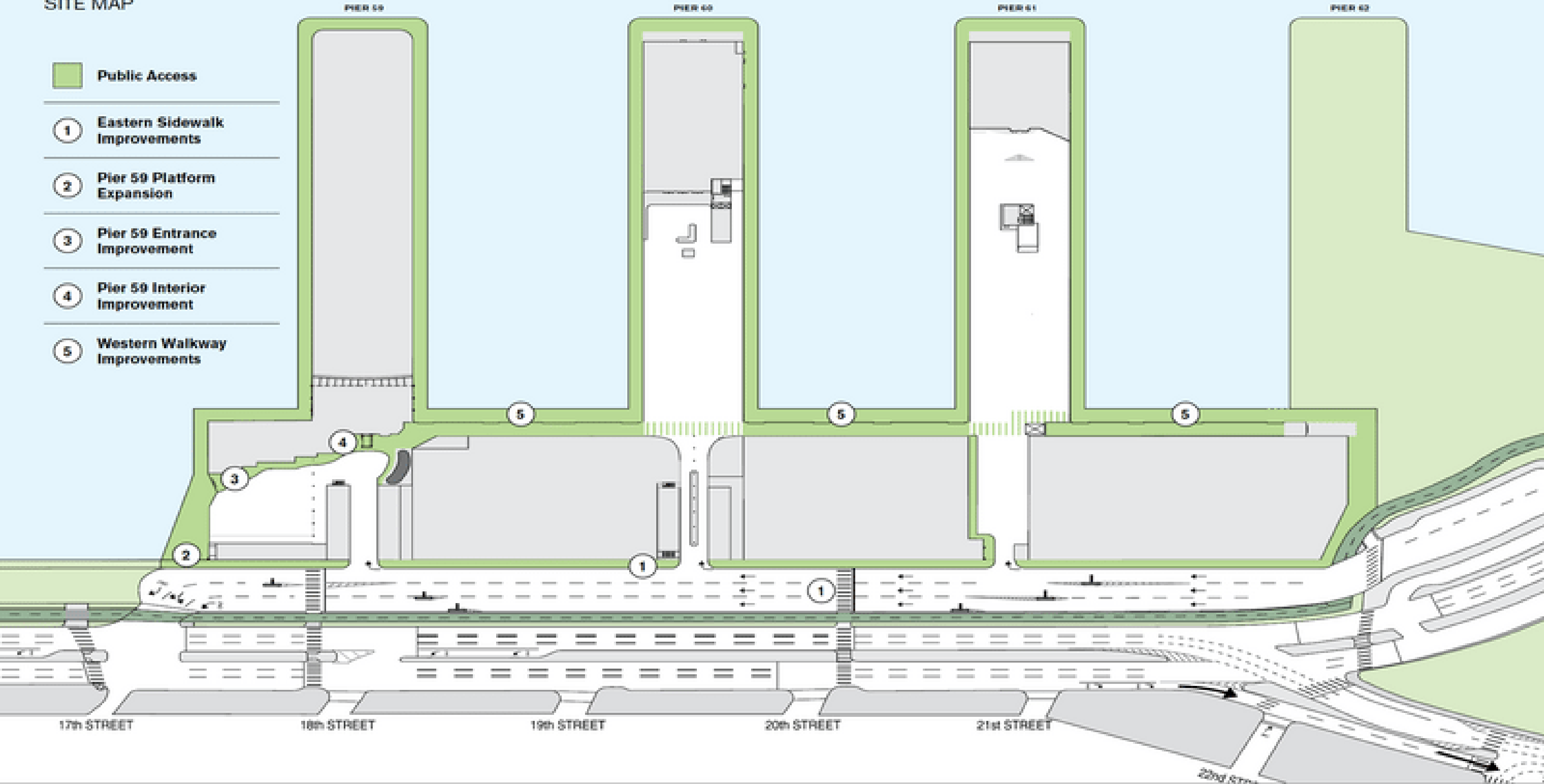


Pathway Marker

CHELSEA PIERS PUBLIC ACCESS

SITE MAP

-  Public Access
-  Eastern Sidewalk Improvements
-  Pier 59 Platform Expansion
-  Pier 59 Entrance Improvement
-  Pier 59 Interior Improvement
-  Western Walkway Improvements





CHELSEA PIERS

In Hudson River Park