

NOTICE OF PUBLIC HEARING and COMMENT PERIOD

PROPOSED LEASE AGREEMENT

between

HUDSON RIVER PARK TRUST

and

CHELSEA PIERS L.P. and NORTH RIVER OPERATING COMPANY L.P.

Pursuant to Section 7(6) of the Hudson River Park Act (the “Act”) for a proposed Significant Action affecting Hudson River Park, the Hudson River Park Trust (the “Trust”) hereby gives notice of a public hearing and comment period to consider a proposed new lease agreement between the Trust and Chelsea Piers L.P. and North River Operating Company L.P. (together, “Chelsea Piers”) for a 34-year-term (with the option to extend for one additional 10-year period) for the premises located at Piers 59, 60, 61, the Headhouse and adjacent lands underwater (the “Premises”) for a mixed-used facility including sports and recreation, studios, restaurant, retail, office, maritime and other permitted uses (hereafter, the “Proposed Lease”). Chelsea Piers currently operates under an existing lease that predates the creation of Hudson River Park and the Trust at the same location.

Submission of Written Comments

The public comment period concerning the Proposed Lease runs from February 11, 2022 to April 26, 2022. All written comments must be received at the Trust’s office by 4:00 pm on April 26, 2022. Comments should be emailed to chelseapierslease@hrpt.ny.gov. Sending comments by email is preferred but the Trust will also accept written comment letters sent by mail, express mail or personally delivered and received by April 26, 2022. Such letters should be addressed to Hudson River Park Trust, Pier 40, 353 West Street, Room 201, New York, NY 10014, Attn. Robert Nguyen.

Public Hearing

A public hearing will be held on March 22, 2022 from 4:30 pm to 6:30 pm via a Zoom Virtual Meeting in compliance with the requirements of the Act and State Law that allows meetings to be held virtually during the COVID-19 emergency. Information about the public hearing and the zoom link will be posted on the Trust’s website at www.hudsonriverpark.org two weeks prior to the hearing date, and the Zoom link and Zoom call-in information is also provided at the end of this Notice.

Process to Provide Oral Comments at Public Hearing

Anyone wishing to make an oral statement at the public hearing must do one of the following:

(1) Prior to noon on March 22, 2022 notify Julie Kubelka at jkubelka@hrpt.ny.gov of the commenter’s intent to provide an oral comment during the hearing and provide a full name and affiliation (if applicable) and, if participating by phone, the phone number that will be used to connect to the Zoom hearing; or

- (2) during the public hearing, submit a request to speak using the “Chat” function on Zoom and providing the commenter’s full name and affiliation (if applicable); or
- (3) request to speak when the Hearing Officer asks if there are any additional speakers that wish to provide an oral comment after all others who have either registered in advance or submitted a request via Chat have spoken. (For such commenters, the Hearing Officer will unmute the video and phone for this purpose.)

Oral comments will generally be heard in the order in which requests to speak are received.

Please contact Julie Kubelka at 212-627-2020 or via email at jkubelka@hrpt.ny.gov one week prior to the hearing date if you need a reasonable accommodation, such as a sign language interpreter or foreign language interpreter, in order to participate in the public hearing.

Summary of the Proposed Lease

Chelsea Piers has been operating under an existing lease agreement that was issued by the New York State Department of Transportation in 1994 (the “Existing Lease”) for the Premises, generally located between 17th and 22nd Streets west of Route 9A. The Improvements that currently exist at the Premises were constructed by Chelsea Piers and have been maintained and operated pursuant to the Existing Lease. Upon the Commencement Date of the Proposed Lease, the Existing Lease would expire earlier than its current mid-2043 expiration date, and Chelsea Piers would continue to occupy its existing Premises. Specific permitted uses under the Proposed Lease include sports and recreation (such as a golf facility at Pier 59, health club and indoor sports facilities at Pier 60, two-rink skating facility at Pier 61, and children’s day camp), bowling alley, office uses, exhibition space, restaurant, catering, retail, media and studio production facilities, sightseeing and entertainment cruises, and parking. Chelsea Piers has also committed to maintain a minimum of 330,000 square feet of space for sports and recreation uses.

Under the Proposed Lease, Chelsea Piers would make improvements to certain pedestrian walkways, develop a new signage plan, and continue its ongoing pile repair program. The pedestrian improvements would include, in part, an improved sidewalk to provide an easily identifiable and continuous pedestrian pathway from a widened Pier 59 southern entrance to Pier 62 at the north through buildings and along the waterside walkway located to the west of the Headhouse.

Under the Proposed Lease, the first year of base rent would be \$4,406,467, and rent will increase every two years by the biennial percentage increase in the Consumer Price Index (“CPI”) as detailed in the Proposed Lease. Increases in base rent are also scheduled for year 2032 at 7.5 percent, year 2043 at 10 percent, and, should the Renewal Term take effect in year 2056, at 5 percent, all in addition to the biennial percentage increase in CPI. Chelsea Piers would also pay percentage rent at 3 percent when its gross revenues exceed \$60 million, which percentage rent is also increased based on Chelsea Piers’ annual gross revenues to up to 5 percent when gross revenues exceed \$120 million. The Proposed Lease also includes a provision for Chelsea Piers to pay transaction rent for certain transactions that result in a change of control or for major subleases. Chelsea Piers would continue to pay to the Trust payments in lieu of real estate taxes.

Because Chelsea Piers is an existing tenant using the same Premises in a manner and for a purpose substantially identical to that set forth in the Existing Lease, the Proposed Lease is a Type II action under the State Environmental Quality Review Act.

A copy of the Proposed Lease can be found on the Trust's website at <https://hudsonriverpark.org/locations/chelsea-piers/>

Contact: If there are any questions about this Notice, please contact Robert Nguyen at rnguyen@hrpt.ny.gov or 212-627-2020.

Public Hearing Access:

Join Zoom Meeting

<https://us06web.zoom.us/j/89201447576?pwd=UTNpRkRxQWljMkFMZ0twbDIKZDFhdz09>

Meeting ID: 892 0144 7576

Passcode: 502381

One tap mobile

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Dial by your location

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