

# HUDSON RIVER PARK FINANCING PLAN FISCAL YEAR 2023-24

June 30, 2023



**HUDSON RIVER PK**

***The Hudson River Park Act, as amended on November 13, 2013, mandates that each year, within 90 days after the close of the Hudson River Park Trust (the “Trust”) fiscal year, the Trust must prepare an annual Financing Plan. The close of the Trust’s Fiscal Year is March 31, 2023.***

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

***In the year ahead, the Trust is proud to celebrate the 25th anniversary of the signing of the Hudson River Park Act, the landmark New York State legislation that created both Hudson River Park and the Trust in 1998. This Financing Plan highlights some of the many milestones and achievements that have occurred since then, while also identifying priorities, opportunities and needs looking ahead.***

## 25 YEARS OF HUDSON RIVER PARK

September 2023 marks the 25th anniversary of the signing of the Hudson River Park Act (“the Act”), the landmark New York State legislation that created both Hudson River Park and the Hudson River Park Trust in 1998. Since then, the collective investment of state, city, federal and private funding has resulted in a remarkable transformation of four miles of Manhattan’s shoreline. As Hudson River Park (the “Park”) approaches this quarter century milestone, there is much to celebrate.



As envisioned by the Act, the Park has strengthened New Yorkers’ connections to their Hudson River and has become an invaluable open space resource -- a much needed front yard and back yard for local residents and a popular destination for regional visitors and tourists alike. In addition, the Hudson River Park Estuarine Sanctuary (the “Sanctuary”), designated in tandem with the Park, is now a thriving place for environmental research, education, habitat enhancement and stewardship. On top of it all, since inception, the Park has also succeeded in operating on a financially self-supporting basis as intended.

In the year ahead, the Park will take a quantum leap forward with the opening of two large new open space areas at the Gansevoort Peninsula and Pier 97. A new Science Play area in Tribeca will also open this year. The opening of these signature spaces – coincidentally occurring in a milestone anniversary year – brings the original vision for the Park defined in the Act tantalizingly close to completion. There can be no doubt that New York State and the City of New York have continued to fulfill the Act’s intention, nor that all those who have fought for this unique open space and environmental resource for decades have seen ambitious dreams fulfilled.

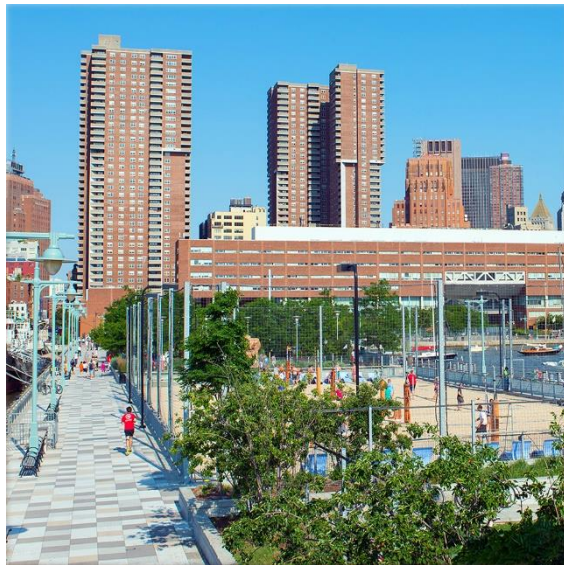
Of course, maintaining all these spaces – the docks, lawns, pile-supported piers, pathways, boathouses, and countless other features that together comprise the Park – is costly. While the Park has succeeded to date in supporting itself financially by using the tools identified in the Act, this has not been easy. The Trust has worked consistently with elected officials, Park neighbors, businesses, environmentalists, and others to explore ways to increase revenue streams as the usable Park areas have grown over time, as infrastructure ages, and as costs for everything from utilities to staffing increase. In the next quarter century, the Trust’s greatest financial challenge is to continue seeking and advancing successful strategies and solutions that will ensure that the entire Park



continues to thrive. The many millions of people who have come to rely on the Park for visual and physical access to the Hudson River are counting on it.

## **BUILDING THE PARK AND TRANSFORMING THE WATERFRONT**

By the 1980s, Manhattan's Hudson River waterfront was largely a derelict landscape of crumbling piers, parking lots, no access zones, and decaying warehouses. After the sharp declines in maritime commerce in Manhattan that began in the 1960s and the eventual demise of the ill-fated Westway plan, New Yorkers seized the opportunity to reimagine the city's post-industrial waterfront. Thanks to the sustained efforts of the local community, the West Side Task Force (1986), the West Side Waterfront Panel (1990), the Hudson River Park Conservancy (1992), and a historic agreement between New York City and New York State – the Hudson River Park Act of 1998 -- New York committed its resources to a creating a new park in and along the water's edge.



And what a park it has become! Today, the public can recreate on newly constructed, purpose-built piers, lawns, sports fields, courts, and more across four miles in Tribeca, Greenwich Village, the Meatpacking District, Chelsea, and Hell's Kitchen. As envisioned by the Act, New York State and New York City have led the way through capital investments in new park construction, while federal funding secured through grants and appropriations, member item contributions from local elected officials, private donations, and investment from our neighbors and benefactors have also all been critical to these successes.



Today, 25 years after the groundbreaking legislation, a vast swath of New York City's Hudson River waterfront has become a spectacular array of piers with welcoming public spaces, much-needed green space, areas hosting thriving businesses, well-lit seating areas, and public playing fields – all linked by a heavily used promenade. Formerly industrial areas have been creatively reimagined for active and passive recreational use, and historically significant areas restored and opened to the public. Residents, visitors, and workers enjoy all the Park offers, and there is more on its way, including two major new Park areas, Gansevoort Peninsula in the Meatpacking District and Pier 97 in Clinton Cove, opening to the public later this year.

Beyond public open space, Hudson River Park has also excelled in other aspects of its mission. In the last few years, staff has designed and implemented two habitat enhancement projects that have together installed more than thirty-one million oysters in Park waters. Scientists and students engage regularly in research and study on everything from concentrations of micro- and macro- plastics in park waters to changes in fish populations in the river, and tens of thousands of people take part in free and low-cost boating, cultural programming, and place-based environmental educational activities every year.





As determined by the Act, Hudson River Park is overseen by the Hudson River Park Trust, an equal partnership between the State and City. The Trust is responsible for the design, construction, maintenance, and operation of the Park, along with promoting access to and stewardship of the 400 acres of water designated as an estuarine sanctuary.

Hudson River Park has to date succeeded in operating on a financially self-supporting basis, even as it has grown significantly through continuing construction. A physically larger park demands bigger budgets for maintenance, operations, security, utilities and other costs, and the Park is continuing to expand. The Trust has met this challenge by pursuing multiple pathways simultaneously: lease revenue at piers where certain commercial uses are authorized, park concessions, proactive management of the parking garage at Pier 40, negotiating requirements in leases for private partners to maintain certain public infrastructure in lieu of the Trust spending public funds to do so, pursuing grants, and partnering with Hudson River Park Friends and other private philanthropic partners on select projects.

The Act is very specific, defining permissible uses on almost a pier-by-pier basis, and provides clarity to the Trust and other decision makers on virtually all aspects of planning. Throughout its history, the Trust has worked closely with local communities, elected officials, and other stakeholders on everything from plans for new park areas to soliciting meaningful input that has informed proposals for revenue-generating uses, also consistent with the Act's intent. Such collaboration bears continual fruit. Pier 57, a recently opened mixed-use redevelopment project, required two changes to the Act as well as a



change to local zoning, and its success is a prime example of what can be achieved when elected officials, the community, and the Trust engage with each other proactively and with a foundation built on a premise of partnership. As of Spring 2023, Pier 57 is benefiting the public with new indoor and outdoor open space and community and educational amenities, while also paying rent that the Trust is using to help support the overall Park's care and operations.

Over the years, there have certainly been challenges – Hurricane Sandy and the damage it wrought, massive infrastructure concerns at various inherited properties, weathering the pandemic and other macroeconomic challenges, and failed attempts to gain consensus on Pier 40's future in particular -- but it is abundantly clear that overall, Hudson River Park is one of New York's great triumphs and an extraordinary success for New York State and New York City both. It is exciting to be commencing the Park's next 25 years – the era when the full Park will achieve completion.

## 25 YEARS OF PROGRESS & CHALLENGES

Hudson River Park Act is enacted by New York State law, creating the Park on a mix of State and City land and the Trust as a partnership between the State and City	1998
Following legal challenges, NYS Department of Environmental Conservation issues permits allowing Park construction	1999
US Army Corps of Engineers issues final permits enabling pier reconstruction. Chelsea Waterside Park opens after being constructed by the NYS Department of Transportation	2000
Terrorists attack World Trade Center. Portions of Hudson River Park are used for logistics, recovery, distribution of volunteers and materials removal	2001
The Trust adopts first Estuarine Sanctuary Management Plan	2002
Piers 45, 46 and 51 and the adjacent upland park areas open in Greenwich Village	2003
Pier 40 courtyard ballfield and Tribeca tennis courts open	2004
Hudson River Park opens the first non-motorized boathouse at Pier 96 along with the adjacent Clinton Cove area	2005
Pier 84 opens in Hell's Kitchen and Pier 66 and the adjacent Habitat Area between 26 <sup>th</sup> -29 <sup>th</sup> Streets open in Chelsea. The aircraft carrier Intrepid gets stuck on the river bottom on its journey towards drydock for refurbishment, requiring emergency dredging at Pier 86	2006
Historic Lightship <i>Frying Pan</i> relocates from Pier 63 to historic Baltimore & Ohio Railroad Float Transfer Bridge at Pier 66a	2007
Intrepid Museum is rededicated at Pier 86 following the reconstruction of Pier 86, and the AIDS Memorial is dedicated in Greenwich Village. Riverfront areas between Pier 26 and Pier 40 in Tribeca opens to the public and includes new basketball and tennis courts	2008
Pier 64 opens in Chelsea	2009
Piers 62, 63 and Chelsea Cove open, as does Pier 25 in Tribeca	2010
Park welcomes historic vessels to Pier 25 and the Trust and Hudson River Park Friends commence official fundraising partnership	2011
Hurricane Sandy causes damage throughout Hudson River Park	2012

Hudson River Park Act is amended including to allow limited sales of unused park development rights from eligible piers subject to local zoning. The upland park area near Pier 26 opens to the public	2013
Hudson River Park announces partnership with the Diller-von Furstenberg Family Foundation to rebuild Pier 54 as a public pier with cultural uses pursuant to a proposed long-term lease and the Trust inaugurates a new river science festival, SUBMERGE, celebrating marine science	2014
Construction begins on widening the esplanade between Gansevoort Peninsula and 14th Street to help alleviate bicycle and pedestrian congestion and improve public safety	2015
Hudson River Park sells certain development rights from Pier 40 for \$100 million, enabling critical repairs to piles and other deteriorated infrastructure	2016
Terrorist Attack on NYS Department of Transportation Bikeway adjacent to Hudson River Park	2017
LGBTQ Monument dedicated, Park opens “Pipefish Playground” at Chelsea Waterside, and Trust completes additional air rights sales in Chelsea	2018
The Trust launches Park Over Plastics initiative and diverts 430,000 lbs. of organic waste from landfills through its new composting program. Trust commits to expanded River Project staff and to preserve River Project legacy	2019
Pier 26 opens on schedule during and despite Covid	2020
Little Island opens as new public pier, Whitney Museum of American Art donates monumental <i>Day’s End</i> sculpture to Hudson River Park, Pier 76 opens as interim public open space, and HRPT installs 11 million oysters as part of Tribeca Habitat Enhancement project	2021
Pier 57 rooftop park opens. The Trust installs 20 million juvenile oysters at the Gansevoort Peninsula, and issues the 2021-2030 Action Agenda for the Hudson River Park Estuarine Sanctuary	2022
Re-imagined Chelsea Waterside Park “Phase 2” opens in June 2023. New Park areas at the Gansevoort Peninsula, Pier 97 and Science Play Area will open later in the year.	2023

## MAJOR ACCOMPLISHMENTS IN FISCAL YEAR 2023

In Fiscal Year 2023, which ran from April 1, 2022 through March 31, 2023, the Trust significantly advanced construction of two new major new park areas, the Gansevoort Peninsula and Pier 97, broke ground on the new Science Play area in Tribeca and new public restroom building at Chelsea Waterside, and advanced a number of important



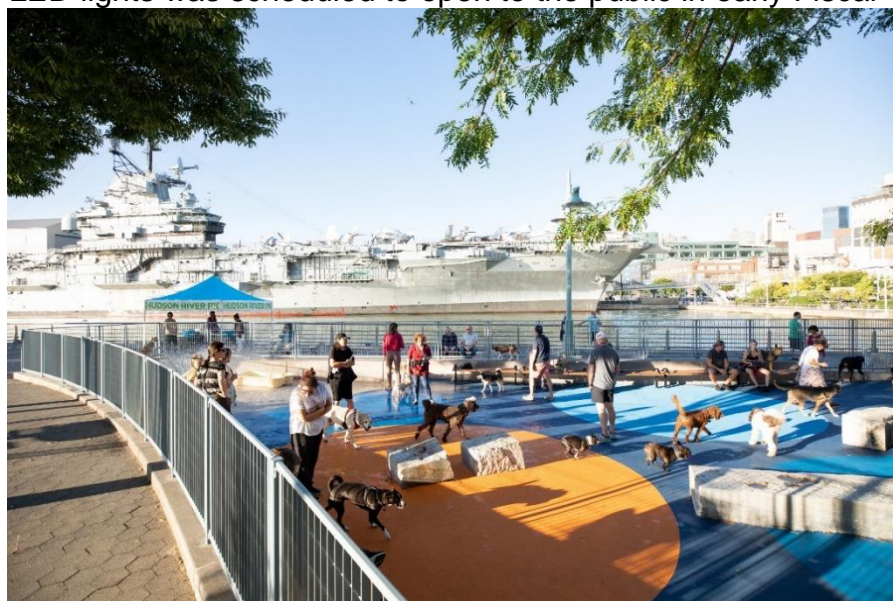
renovation and refurbishment projects for existing park elements. The Trust also continued to grow its investment in the Estuarine Sanctuary through research, installation of habitat enhancement and promotion of environmental stewardship, and furthered its goal of financial self-sufficiency, including through the execution of a new lease agreement with Chelsea Piers that will also provide additional public amenities for the community. At historic Pier 57, a new rooftop public park opened while construction on the remainder of the ground floor continued in preparation for the pier's next life as a mixed-use pier with high quality indoor public space, a food market, and educational and cultural spaces as well as Google.

### Constructing New Public Open Space

Throughout Fiscal Year 2023, the Trust continued construction of two large projects -- the Gansevoort Peninsula and Pier 97 -- with the goal of opening both new spaces 2023. Together, these sites will add approximately eight new acres of active and passive recreational park to the Meatpacking and Clinton Cove areas of the Park. More details on these and other projects currently in planning or construction are provided below.

### Improving Existing Spaces for Park Users and our Environment

In December 2021, the Trust broke ground on an extensive reimagination of the heavily used "Chelsea Waterside Park" area originally built by the New York State Department of Transportation and then incorporated into the Park. The new design creates more usable spaces for visitors while also prioritizing and increasing the number of plants and amount of green space through the reduction of paved areas. A year later, in December 2022, the new Chelsea Waterside dog park opened – doubling the size of this popular amenity, and two- and four-legged park patrons instantly filled the area. The balance of Chelsea Waterside including the new green public bathroom building and refreshed turf field with LED lights was scheduled to open to the public in early Fiscal Year 2024.



Meanwhile, the Trust also refurbished the heavily used tennis courts near Pier 40, substituting new LED lights for the original ones to enhance energy efficiency. The dog park at Pier 84 was also improved and updated, incorporating water features and enhanced play areas.

## Preserving Maritime History

At Pier 57, a fifteen-year effort to restore and adapt this historic pier as a mixed-use building resulted in the opening of a large new public rooftop park in April 2022. The Trust worked with private sector partners at RXR, Young Woo & Associates and The Baupost Group, along with the primary building tenant, Google, to deliver both the new public open space and the physical improvements to the pier – all of which were privately funded. At the same time the roof opened, Google officially commenced its occupancy of its portion of the building, joining City Winery, a popular venue for live music and food, as early occupants of the pier. In January 2023, Pier 57 received a 2022 New York State Preservation Award from the New York State Office of Parks, Recreation and Historic Preservation (OPRHP), one of only ten projects selected for this award across New York State.



Meanwhile, throughout the fiscal year, RXR and Google continued to fit-out interior portions of the building, readying it for occupancy by “Market 57,” a new food hall overseen by Jamestown and curated under the guidance and mentorship of the James Beard Foundation. Other much anticipated aspects of the Pier 57 project include Platform by JBF, a show kitchen and food events space run by the James Beard Foundation, as well as a large public “living room” that provides stunning views of both Hudson River Park and the city skyline in a climate-controlled environment. The Trust’s “Discovery Tank” – a technology-enabled environmental gallery and classroom operated by the Trust’s River Project team, and a number of bookable community classrooms and meeting spaces offered through Google also advanced construction.



## Investing in Critical Infrastructure

Because the original vision of a fully constructed Hudson River Park as established by the Act is still in progress, the Trust distinguishes between new construction and “capital maintenance.” While new construction has largely been funded by the State and City, supplemented by significant federal and private monies, capital maintenance costs have historically been funded by the Trust directly.

Capital maintenance is a cost category that was not fully considered when the Act was passed. It includes repairs and replacement of assets that are heavily used, reach the ends of their intended design lives, or simply break or age such that their functionality is impaired. Even though such maintenance is typical at other parks as well, it can be both costly and time consuming, including because of the requirements of public procurement. Examples of the kinds of routine capital maintenance that the Trust performs periodically include renovations to existing playgrounds, dog parks, sports courts and fields, pavement replacement, and replacements and upgrades to various mechanical and other systems.



In addition, caring for Hudson River Park entails undertaking some unique and very costly types of capital maintenance -- a result of both the Park’s location in and along the water, and the fact that it includes some physical assets that were already in poor condition when



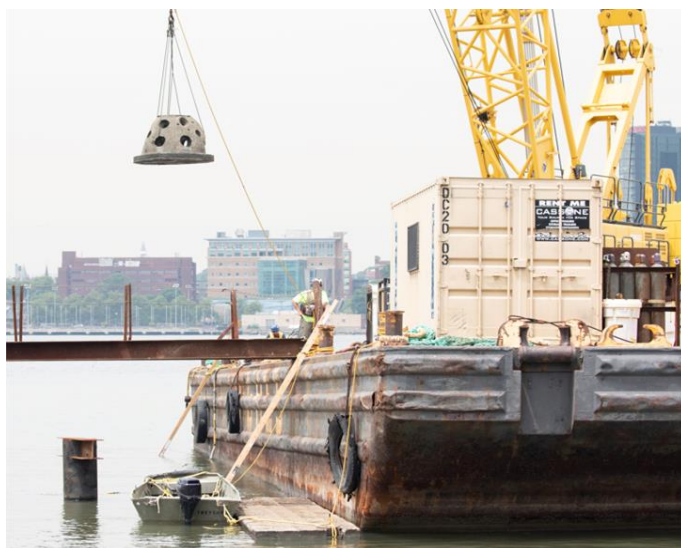
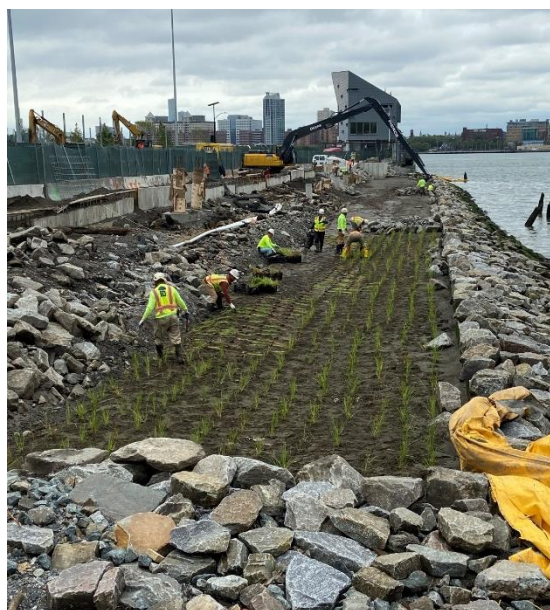
the Park was created, becoming the Trust's responsibility. Since inception, the Trust has had to fix collapsing sections of the historic bulkhead, and repair aging infrastructure such as piles supporting piers and roof and sprinkler systems at Pier 40. Natural disasters – Tropical Storm Irene and Hurricane Sandy – both caused significant damage to Park property as well.

To help fund 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 approved air rights sale continued to be used at Pier 40 during Fiscal Year 2023, with the final phase of a comprehensive pile repair program nearing completion by the end of the fiscal year. Another phase of Pier 40 roof replacement also took place, resulting in the reopening of parking spaces that generate revenue in support of the Park's care and also a rooftop public ballfield.

Also at Pier 40, the Trust commenced a structural inspection of the parking garage in compliance with City and State regulations and continued to upgrade the fire suppression systems in the Pier 40 parking garage.

### Enriching the Estuarine Sanctuary through Enhancements, Research and Environmental Engagement and Education

The Trust continued to take seriously its mandate to protect and enhance existing marine habitat and the 400 acres of the Hudson River Park Estuarine Sanctuary.



In the waters north of the Gansevoort Peninsula, the Trust installed several hundred oyster gabions and reef balls with more than 20 million juvenile oysters, which will provide significant enhancement to the local habitat for river wildlife while also increasing resiliency. Construction of a new salt marsh included at the Gansevoort Peninsula also advanced.

Research on the Park's seven long-running studies on fish abundance and diversity, water quality, plastic pollution, pathogens, environmental DNA, and oyster health all continued throughout the Fiscal Year, contributing to stronger baseline data for understanding river conditions and estuarine community utilization. In 2022, the Trust began a collaboration with a SUNY Stony Brook lab to standardize the data, develop a statistical model and analyze the dataset to better understand fish abundance and distribution.



The Trust undertook the first season of a four-year monitoring effort at its Tribeca habitat enhancements, which aims to better understand the impact the enhancements have on the ecology to better inform future enhancement efforts. The Trust believes this monitoring effort is the largest in the region to date. Staff also applied for Community Project Funding through Congressman

Jerrold Nadler, and was able to secure a grant of \$750,00 from the National Oceanic and Atmospheric Administration and that will support future monitoring and education efforts at the Gansevoort Peninsula as well.

The Trust's River Project staff hosted over 5,000 students for environmental science focused field trips. The Trust also received a five-year grant award from the New York State Zoos, Botanical Garden and Aquarium program to support staff in the Wetlab, a



research aquarium which continues to be one of the Trust's most inspiring educational venues for both students and members of the public. With that additional support, the Trust was able to expand public hours including weekends and saw a meaningful increase in visitors. The annual SUBMERGE marine science festival, which features science-themed entertainment, wildlife touch



tanks, and more, was held in October 2022 for the first time as a two-day event. The first day was reserved for NYC School Students on field trips, and over 60% of the 1,000 attendees were from schools that qualified for need-based fee waivers. The second day was open to the public and saw over 4,000 people attend.

Through the end of the fiscal year, the River Project prepared for the opening of the Pier 57 Discovery Tank, supporting the creation of public facing games, mapping out new lesson plans and adapting its existing curriculums for the new space.

Another notable operational success in Fiscal Year 2023 was the continuation and expansion of the Trust's successful community compost program. The Trust composted over 500,000 pounds of organic material diverted from local landfills by composting the Park's horticultural waste and community food scraps.

### Strengthening the Park Financially

In 2022, several years of lease negotiations and a robust public review and comment process culminated in a new lease with Chelsea Piers at Piers 59, 60 and 61 and their associated headhouses. Chelsea Piers is currently the Park's largest commercial tenant as measured by both size and revenue generation. Chelsea Piers was built and put into operation in the mid-1990s, several years before the creation of the Park in 1998. Pursuant to the Act, the Trust inherited the then 49-year lease originally executed between the NYS Department of Transportation and Chelsea Piers. By 2022, income from Chelsea Piers accounted for approximately one quarter of the Trust's total revenue budget.

A request by Chelsea Piers for an early lease renewal and extension afforded the Trust



the opportunity to modernize this lease and increase rental payments. Negotiations

resulted in increased payments that included but were not limited to an initial 7.5 percent increase in base rent, biennial CPI increases and percentage bumps in base rent at three established intervals, as well as percentage rent payments that exceeded previous levels. Beyond these financial

improvements, the Trust also secured commitments for a range of public improvements to the site, including the widening of the southern walkway and entrance for pedestrian access. Additional controls on uses were also incorporated into the new lease, which was signed in June 2022 and went into effect in October 2022. The Chelsea Piers lease now



extends to December 31, 2055, with an optional 10-year extension to December 31, 2065, securing an important revenue stream for the Park, as well as local employment and community amenities.

## INVESTMENTS IN NEW PARK CONSTRUCTION

When the Act was passed, New York State and New York City each initially committed \$100 million in capital funding towards construction of the many intended new park areas. Demonstrating their continuing support for the Park vision, each has continued to provide capital funding for construction based on available budgets, enabling the Trust to keep building out originally envisioned open spaces. For example, right now, capital funding from the State and City is enabling the current construction occurring the Gansevoort Peninsula and Pier 97 to advance. In total, the State and City have together now pledged nearly \$600 million to the Park since inception.

Federal funds have also contributed significantly to the Park's construction. For example, after September 11, the Lower Manhattan Development Corporation (LMDC), which was funded through Community Development Block Grants from the US Department of Housing and Urban Development (HUD), approved a total grant of \$72.6 million, which funded much of the Tribeca park section. LMDC later supplemented this amount, providing an additional \$16.7 million towards the construction of Pier 26 which opened in 2020. In Clinton, the Intrepid Sea, Air & Space Museum was able to secure \$30.7 million from HUD for the Trust to reconstruct Pier 86, which is a publicly accessible pier. Over the years, the Trust has also received significant federal transportation funding through both grant applications and direct appropriations from Congressman Jerrold Nadler.

In addition to these sources, a variety of other government funding has been allocated for various park areas and projects:

- As part of a legal settlement between Friends of Hudson River Park, the Trust and the City, the NYC Department of Sanitation provided funding used to rebuild almost the entirety of the piles and marine platform at Pier 97 – a predecessor investment to the construction occurring now. Additional settlement funds are dedicated to the current construction at the Gansevoort Peninsula.
- Over the years, various New York City agencies have requested that the Trust perform construction on their behalf within the park footprint and provided funding for this work. Most notable is the \$21 million from the NYC Fire Department used to rebuild its pier and firehouse on Pier 53 at the north side of the Gansevoort Peninsula.
- As encouraged by the Act, the Trust has also sought private monies for various Park projects. The Trust's fundraising partner, Hudson River Park Friends conducted a successful fundraising campaign for the Pier 26 Science Play Area

now under construction. Friends has previously supported other capital maintenance projects, including aspects of Park recovery following Hurricane Sandy.

- The Trust's partnership with the Diller-Von Furstenburg Family Foundation resulted in an extraordinary private financial contribution that enabled the public pier known as "Little Island" to be constructed. The Whitney Museum of American Art raised the funds for *Day's End*, a monumental public sculpture donated to the Park on the south side of the Gansevoort Peninsula. Citigroup provided \$10 million towards constructing Pier 26, a public pier that opened in 2020.

As further detailed below, the Trust believes that it has sufficient funding available through New York State and New York City, as well as from the previous sale of some of the Park's development rights, to complete construction of the area between 29<sup>th</sup> Street and 44<sup>th</sup> Streets, excluding Pier 76. Design of this area should be commencing in Fiscal Year 2024 following a competitive procurement process. Meanwhile, some, but not all, of the funding needed for the future Estuarium, a long-planned river research and education facility intended as the final element of the Tribeca area, is also available from a combination of private and public sources. The Trust has recently commenced design of this facility, and will continue to pursue grants and other public funding opportunities during the design process.

## **HUDSON RIVER PARK'S GREATEST CHALLENGE: FUNDING FOR CAPITAL MAINTENANCE AND REPAIRS**

Unfortunately, the costs of capital maintenance were not considered when Hudson River Park was being planned. The Trust has tried many approaches to addressing this problem over the long term.

In years past, the Trust has generated sufficient revenue to cover the costs of certain capital maintenance projects from excess operating revenue generated from a combination of leases, permits, parking revenue, fees, and annual contributions. However, this was never sufficient for certain extraordinary capital expenses, such as the comprehensive pile repair program that was eventually undertaken at Pier 40 thanks to the sale of some development rights, and it is certainly not sustainable in the long term.

To start, operating costs continue to rise due to the growing physical park. For Fiscal Year 2024, budgeted operating expenses are almost \$5 million higher than those for Fiscal Year 2023. They include a 31 percent increase for security, a large increase in utility and contracted maintenance costs, and higher costs for the additional staff needed to handle the physically larger park that by the end of the year will include three new public restroom buildings and eight new acres of open space that must be tended. Thus, even though revenue has also increased somewhat from sources ranging from the new

Chelsea Piers lease to additional donations from Hudson River Park Friends, the amount of surplus operating revenue that can be redirected to capital maintenance will wane over time unless new sources of revenue can be identified.

Moreover, the Park faces, and will always face, the need for some exceptionally costly infrastructure repairs given its location primarily in and over the water. It also contains assets like the historic bulkhead and a few properties inherited in poor condition – first and foremost, Pier 40.

The Fiscal Year 2024 budget assumes \$27 million of spending on a variety of capital maintenance projects. Fortunately, for the moment, the Trust has access to certain restricted funds for most of these projects – chiefly, the proceeds from the sale of some air rights. The Trust has been using these funds to restore the structural capacity of all of Pier 40's piles, to replace additional roof areas at Pier 40, and for most of the significant upgrades to Chelsea Waterside Park that were completed in June 2023, but these amounts are finite. While the Trust may be able to sell some additional air rights from eligible properties in the future, the Trust does not control either the market or all of the approvals for such opportunities, and the Trust is further restricted from selling any additional air rights from Pier 40.

Another important historical source of funding for some capital maintenance has been discretionary funds from elected officials. Most years, the Trust seeks and often receives discretionary grants from local elected officials including the Manhattan Borough President, City Council Members, and State elected officials directly representing portions of the park. When such funding is available, the Trust typically uses these grants for specific capitally eligible repairs and replacements within member districts. Examples of capital maintenance projects that have recently benefited from such allocations include the Tribeca tennis courts, Pier 84 dog run, security camera infrastructure, and some of the substantial upgrades at Chelsea Waterside Park.

Important as these contributions are, there is no guarantee that such funds will be available when needed because the Trust must compete with other parks, schools, and other important uses and causes across New York City before receiving them. Further, the amounts available to local elected officials annually to distribute as discretionary grants are insufficient to fund many of the extraordinary capital maintenance costs the Park has faced, such as the structural concerns at Pier 40, the historic bulkhead, and – likely soon – infrastructure issues at Pier 76.

Thus, as in years past, this question – the question of how to fund capital maintenance into the future -- remains the Trust's biggest financial challenge. While the State and City may occasionally provide financial support to address emergencies, the Trust must assume that it will have to continue self-funding needed physical improvements. The alternatives – deferring capital maintenance (and thus reducing the quality of park components and potentially increasing their eventual repair or replacement costs) or

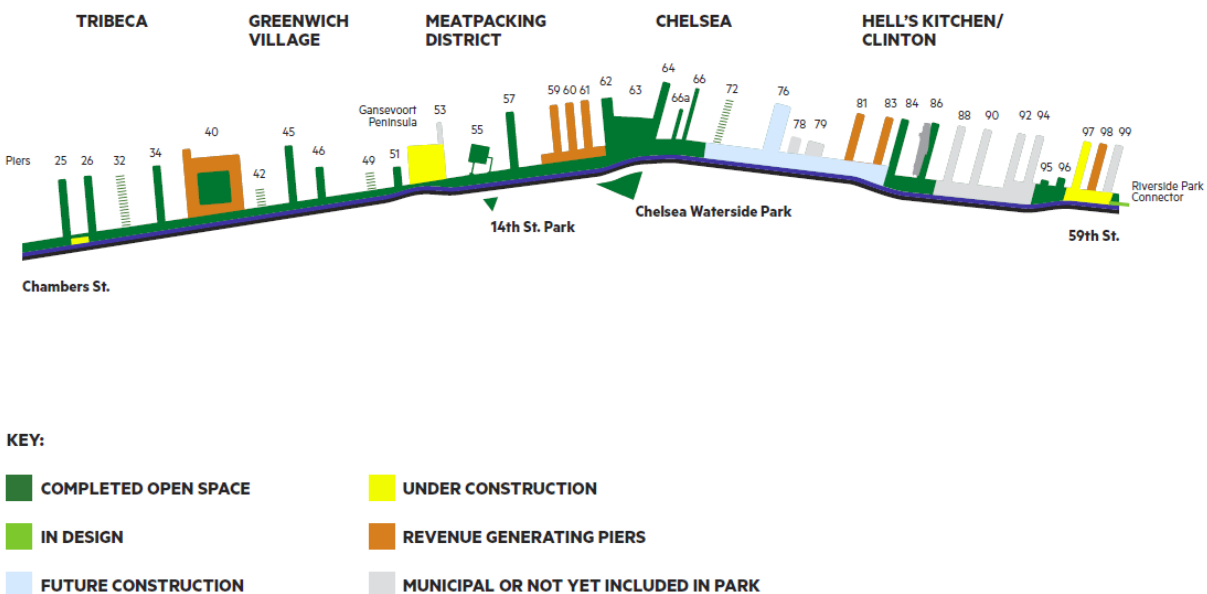


diverting operating income to urgent repairs (which may result in reductions to park services such as sanitation, security and programs) – are clearly not desirable. Finding sufficient, continuing sources of funding for capital maintenance is the only way to ensure the Park’s long-term care, quality and financial stability.

## COMPLETING THE PARK VISION

The diagram below shows the status of Park construction as of June 15, 2023. The sections that follow describe the status of park completion for all areas not shown as complete on the diagram map. Projects are grouped under one of the following headings: 1) Under Construction; 2) Projects in Design; and 3) Remaining Park Elements. Significantly, two large areas of construction, Gansevoort Peninsula and Pier 97, are on track for completion and opening within Fiscal Year 2024, along with the balance of Chelsea Waterside Park and the Tribeca Science Play Area. Costs for funded construction and cost estimates for future park construction are detailed in the tables in the final section of this report where possible.

**CONSTRUCTION STATUS MAP**  
June 2023



## *Areas Currently Under Construction:*

### **1. Pier 26 Science Play Area** Upland Area Near Pier 26

The Pier 26 Science Play Area, an ecologically-themed playground complementing the Trust's extensive science and environmental programming, commenced construction in December 2022. This joyful and unique project was the focus of a successful fundraising campaign conducted by Hudson River Park Friends, the Trust's long-standing philanthropic partner. A December 2022 groundbreaking honored private donors and the New York City elected officials who provided discretionary funding in support of this project. Excavation for the installation of subsurface utilities and footings for the play elements began in February 2023.



As designed by Olin – the same landscape firm that designed adjacent Pier 26 – two custom-designed, supersized “sturgeon” will serve as the signature play elements. These larger-than-life structures will create an inspiring opportunity for children to explore local ecology. Children will be able to climb inside each of the two sturgeon structures and interact with other marine-oriented play features as they learn about local wildlife that resides in the Park's 400-acre Estuarine Sanctuary. Trees and other plantings will be



integrated into the space, along with a perimeter seat wall, safety surfacing, climbing nets and various other engaging play features for all ages to enjoy.



Fabrication of these unique play features by a Danish firm, Monstrum, is approximately 85% complete and the structures are expected to start arriving on site in summer 2023. The Pier 26 Play Area is projected to open to the public by the end of 2023.

Hudson River Park Friends launched a successful capital fundraising campaign last year, raising \$3.5 million for construction of the Play Area. The

initiative was championed by former Friends' Chair, Mike Novogratz, who provided a \$1.3 million match for donations. The New York City Council and Manhattan Borough President also contributed funding for this project, enabling the design to include a misting feature and other landscape improvements. The total cost of the project is estimated at \$4.5 million.

## 2. Gansevoort Peninsula, Salt Marsh and Submerged Habitat Features Horatio-Bloomfield St

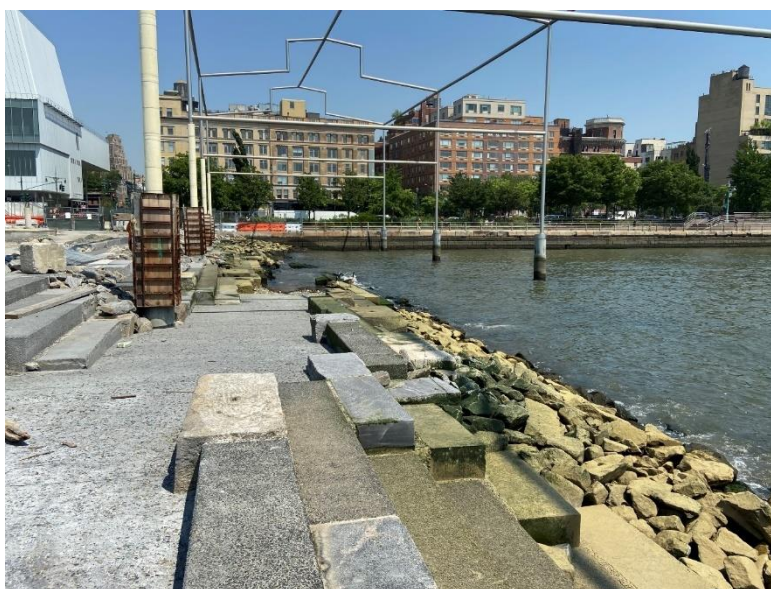
Gansevoort Peninsula, the largest stand-alone new recreational space to undergo construction since Park inception in 1998, was over 70% complete as of March 31, 2023. The balance of construction is currently expected to open to the public in late summer 2023.



This project area, an approximately 5.5-acre landmass, was used by the NYC Department of Sanitation for truck parking and salt storage until 2016. These uses were removed and the site remediated by the NYC Department of Design and Construction by 2018. After undertaking an extensive community design process in conjunction with the design team, led by James Corner Field Operations, the Trust began construction on this project in 2020.

Gansevoort will be a particularly exciting addition to the Park. It is built on solid ground (actually landfill) extending out into the Hudson River, the only such area in the Park. The design capitalizes on the unusual opportunity to create soft edges at both the northern and southern sides of the peninsula, as neither of these locations is affected by the historic bulkhead that runs almost the entire length of Hudson River Park, precluding direct river access from most areas.

The southern edge takes advantage of the bulkhead's absence with the creation of a resilient, terraced stone edge extending into the water, providing amphitheater-style seating and direct access to the water for non-motorized boats through the addition of an integrated boat ramp. An upland sand bluff area just north of this edge will provide opportunities for people to sunbathe on beach blankets or to play in the sand.



Gansevoort's northern edge will newly host a salt marsh. A submerged habitat area consisting of seeded oyster cages and reefballs for more than 20 million oysters was completed in Summer 2022. Together, these areas enrich the Sanctuary habitat. The north edge design also includes a number of small balconies providing front-row seats to the marsh along with views to Little Island; these areas will also serve as informal outdoor classrooms for the Park's educators.

On the western side of the Peninsula, a promenade and picnic area will extend along the area where the last remaining stretch of the former Thirteenth Avenue was once located. This riverfront promenade area is planted with London Plane trees to provide plentiful shade as well as a variety of understory trees, shrubs, and groundcover. A line of permanent lounge chairs and benches will offer a perch for daytime sunning and evening sunsets along the entire western edge of the Peninsula. The Hudson Balcony at the southern end of the promenade will extend slightly under the magnificent *Day's End*



sculpture, providing stunning views of Lower Manhattan, the Statue of Liberty and the Jersey City skyline.



Other features under construction at Gansevoort include a pine grove planted with a variety of native pines and other species typically found in coastal areas of the tri-state area, an outdoor exercise area with exercise equipment for adults, and a dog run with separate play areas for large and small dogs. The large synthetic turf sports field will be capable of hosting soccer and other sports by day or

night, with LED lighting providing energy efficiency while also meeting lighting needs for night-time play. A small food concession, a park maintenance area and public restrooms with a green roof will round out the Park offerings at this site, and the Fire Department of New York's Marine Company One facility will continue to operate from Gansevoort as a water-dependent use as well.

The total cost of this project is estimated at \$73.1 million, funded with \$50 million in capital funds available from the City of New York and \$23.1 million in funds available from restricted park funds. This much anticipated project is currently within budget.

### **3. Chelsea Waterside Park Phase 2 Construction W 22 St to W 24 St**

The project known as "Phase 2 of Chelsea Waterside Park" fully reopened in June 2023, with a few punch list items continuing. One of only two Park areas east of Route 9A, this park area was originally built by the NYS Department of Transportation prior to Hudson River Park's existence. A comprehensive reconstruction of the playground was completed in 2018 as "Phase 1" of the comprehensive refurbishment. During Phase 1, limestone cattle head sculptures were incorporated into water features at the playground after being reclaimed from a historic meatpacking district business, the New York Butchers' Dressed Meat Company, whose building was demolished in 1991.

The Phase 2 improvements have included a mix of new construction – specifically, a new public restroom building long desired by the local community – and a major capital upgrade to the previous landscape.

A new and expanded dog run opened in November 2022 and is already heavily used, with separate areas for large and small dogs, canine water play areas, seating and colored pavement. The new dog run is more than double the size of the original one. Similarly, a redesigned and refurbished sports field reopened in April 2023. While the field itself is the same size, the field now includes an expanded turf area where athletes can warm-up, and the field is lit by new energy efficient LED lighting.

The central area of the park, previously a wide paved walkway, has been completely transformed into a permanent picnic area with festive lighting, a sunning lawn, and a flower garden. Pathways lined with trees and lush plantings provide access to all site elements and the Route 9A crosswalk. The striking new restroom façade uses granite and wood salvaged from pathways and walls previously located on the site. Solar panels and skylights were also incorporated into the restroom design.



This central area and restroom opened in June 2023. A small refreshment kiosk will be delivered to the site later this summer. The total cost of the Phase 2 project, including refurbishment and new construction, is projected to cost \$15.4 million. This exceeds earlier estimates of \$14.4 million, as additional costs were incurred due to unanticipated site obstructions encountered below ground during construction.



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

The transformation of Pier 97 from empty concrete pier to a landscaped public recreational space is nearing completion. The Trust secured required approvals from NYC's Public Design Commission for this project in 2020 following an extensive community design process. The expected opening date for this pier is early Fall 2023, with adjacent areas including the new restroom/concession/maintenance building to follow.

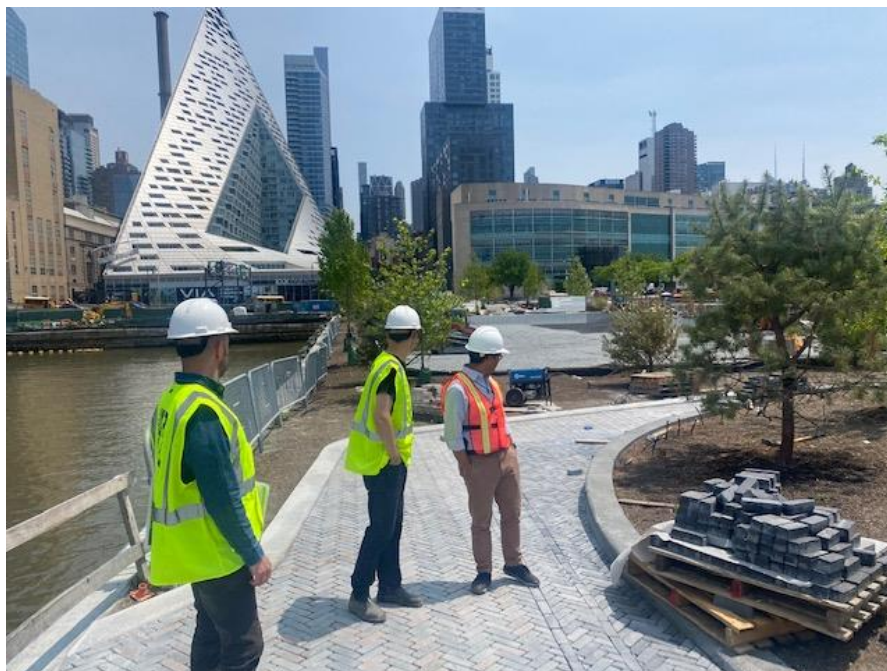
The multi-disciplinary landscape architecture and engineering team headed by Imelk designed this park area. Upland and pier construction has involved the coordination of six separate contractors, all working together in a very tight space. The Trust is subject to Wicks Law, which requires engaging separate general construction, electric, plumbing, and mechanical contractors for buildings.



Pier 97 will be the largest public pier in the vicinity and is being constructed to include a variety of active and passive recreational uses. An exciting playground will include water play features, a challenging climbing structure, slides and a sand play area. A small flexible synthetic turf play field will be located adjacent to the playground. A central gathering space surrounded by verdant plantings and a sloped sun lawn will be capped by a belvedere and overlook, providing an elevated view over the site and to the river beyond, not to mention also access to an “all ages” slide for all ages fun.

Infrastructure for a future historic vessel is being provided, and the far western

end of the pier features a sunset deck where visitors will be able to enjoy breezes and open vistas. On the eastern side of the pier, a new public restroom with small park maintenance and concession areas will complete the site.



The Trust rebuilt Pier 97's structural deck some years ago, using approximately \$16.1 million in City funding secured through a settlement with New York City reached by Friends of Hudson River Park. In 2020, the Trust completed the marine construction phase of a new over-water platform that will ultimately allow for a widened pedestrian esplanade between Pier

98 and Pier 99. The new pedestrian pathway along with adjacent pedestrian and bikeway areas will be funded through federal transportation funds accessed through the New York State Department of Transportation. The Trust has designed these new pathways to provide better links between the Park and Riverside Park South at West 59<sup>th</sup> Street.

Inclusive of design and construction management services, the total estimated cost for the pier, the upland area north to Pier 99, and the park building is just under \$47 million. The project is currently within budget.

### **Projects Currently in Planning and Design:**

Two important projects needed to complete the Park are currently in the Planning and Design stage. An expansion of the Tribeca Habitat Enhancement project is also being readied for installation in Summer 2023.

#### **1. Pier 26 Estuarium** **Upland Area Near Pier 26**

Plans for the Tribeca park section have always included an “estuarium” – a river research and education facility intended to focus on the Estuarine Sanctuary. Envisioned to measure approximately 10,000 square feet in size, the building is expected to support local fish species in flow-through tanks, along with exhibits, a microlab, and classrooms. It will be located on the Pier 26 upland area near North Moore Street, adjacent to the



Science Play Area currently under construction, and environmentally-focused Pier 26 itself.

## PARK USES



In Fiscal Year 2023, the Trust took two important steps forward with respect to making the estuarium a reality -- selecting a comprehensive design team and hiring a construction manager. The two procurement processes were highly competitive, with the Trust receiving 27 submissions for the design services role and 9 proposals received for the construction manager role.

Ultimately, in September 2022, the Trust approved a team led by Sage and Coombe Architects LLP to head the design process. Sage will serve as Prime Architect and EHDD, a California-based firm, will be the Design Architect. Sage and Coombe is a NYS-certified woman-owned business that has successfully completed numerous projects for New York City agencies, including the NYC Department of Parks and Recreation, the NYC Department of Design and Construction, and the NYC Economic Development Corporation. EHDD has worked on a number of projects featuring aquaria and is also a leader in designing climate positive buildings. The design team includes numerous other subconsultants with expertise ranging from exhibit design to life support systems, and from landscape design to engineering.

In March 2023, the Trust approved Gilbane Construction Company as the construction manager. Gilbane is very familiar with the geographic area where the estuarium will be constructed, as the firm was also the construction manager for Pier 26. While the Trust still does not have sufficient funding to construct the estuarium, it is important to have

construction professionals involved during project design to ensure that constructability issues and project costs are integrated into early decision-making.

After introducing the design team to the local community in late 2022, the Trust worked with Community Board 1 to hold a joint public engagement meeting for the Estuarium project on February 27, 2023. The virtual meeting was well attended both by local community members and members of the Park's science and education communities, allowing participants to provide early input about priorities for this important environmental facility in breakout sessions facilitated by members of the design team.

Currently, the design team is working with Trust staff, learning about existing science and educational programming conducted by the River Project team including at the current Wetlab at Pier 40. The team is also studying options for addressing on-site flood resiliency on site and investigating bringing river water into the building. During Fiscal Year 2024, the Trust will continue its practice of engaging with the community during the design process.

Absent a design, the Trust has been working with a preliminary cost estimate for the Estuarium of approximately \$34 million, inclusive of design and construction management services. The cost estimate will be refined as design advances. To date, funding sources include \$5 million from New York State, \$4.6 million from New York City, \$5 million from a private foundation, and \$4.75 million in settlement funds directed to the Trust for the Estuarium project by the NYS Department of Environmental Conservation. Another \$5 million may be available through the Port Authority of New York and New Jersey, though given the length of time that has passed since this source was identified, the status of these funds is uncertain at this time.

The Trust expects that having a design and a more solid cost estimate will assist with raising the balance of the funds for this important project.

## 2. Tribeca Habitat Enhancement Project – Phase 2

### In-Water Area between Pier 26 and Pier 34

in 2021, the Trust completed its first large scale habitat enhancement project in Tribeca between Pier 26 and Pier 34. It was designed in conjunction with the NYS Department of Environmental Conservation and with input from the science community and has a primary goal of increasing the Estuarine Sanctuary's oyster population and providing increased habitat options for colonizing



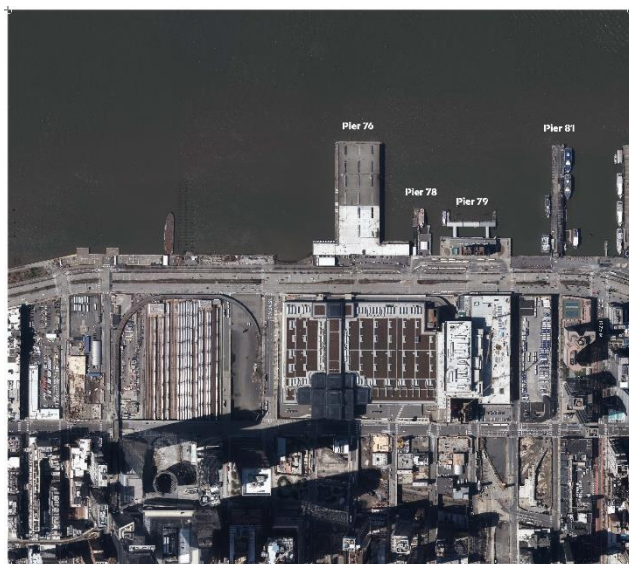
organisms and fish populations. The project was further designed to be scalable over several years based on available funding and regulatory requirements.

The first phase of this initiative included placement of biohuts around various existing piles at Pier 26; installing gabions and reef balls with seeded oyster shells in the interpier areas; installing textured piles at the Pier 32 pile field; and wrapping select existing piles with mesh fabric containing oyster shells at Pier 32. Last year, the Trust engaged an environmental consultant team with researchers from multiple institutions and organizations to conduct research and monitoring over the next several years to inform future habitat enhancement design and decision making.

When planning for the design, associated environmental permits, procurement and installation of this project, the Trust anticipated that additional reef balls and gabions might later be installed to the extent additional funding became available. In Fiscal Year 2023, the Trust received such additional funding through a settlement between a third party and the NYS Department of Environmental Conservation, so the Trust has recently advanced plans to install additional seeded reef balls and gabions during Summer 2023.

### 3. W 29<sup>th</sup> to W 44<sup>th</sup> St. Upland and Habitat Beach

The Trust will very shortly issue a Request for Proposals for a comprehensive planning and design team for the Park area between West 29<sup>th</sup> Street and West 44<sup>th</sup> Streets. This zone is among the most heavily visited areas in the entire Park, incorporating such popular tourist and commuter-oriented uses as Circle Line, the Intrepid Sea, Air and



Space Museum, and the Pier 79 ferry terminal. However, this area currently offers very little in the way of amenities for the public, as this Park area has not yet been improved. Especially as the new residential and commercial community has emerged at Hudson Yards, the Park's absence of green space in this area, particularly in contrast to the rest of Hudson River Park, is ever more evident. It is time for this Park area to be reimagined with landscaping and other amenities consistent with completed portions of the Park.

Planning for this portion of the Park presents numerous challenges. Chief among these is the Hudson Tunnel – a vital regional infrastructure project that entails constructing a



new rail tunnel beneath the Hudson River along with repairs to the two existing Amtrak tunnels. The project is being spearheaded by the Gateway Development Commission, a joint effort of the States of New York and New Jersey, and Amtrak.

Construction of the new tunnel will directly affect the area of the Park in a portion of the area currently occupied by the West 30th Street Heliport. Aside from tunneling through the historic bulkhead, the Hudson Tunnel will also need to use a portion of the Park as a temporary construction shaft. The Trust expects that Amtrak and the other project sponsors will be responsible for restoring and improving any areas of the Park that are disturbed during construction.

Other existing uses in this zone also pose design challenges. For example, Pier 78 is privately owned; the Trust does not control any aspect of that site, but will need to ensure that the business located there is not interrupted during construction. Immediately north, the Pier 79 Ferry Terminal is operated by a private ferry company overseen by the NYC Department of Transportation. Successful ferry operations at that location have long relied on buses and other vehicles to deliver passengers to and from the terminal. Unfortunately, finding a location where the privately operated buses serving the site can park without lingering in the ferry driveways has proved challenging and buses sometimes occupy the area intended for more pedestrian or green space. The Trust will work with these and other stakeholders, in addition to Community Board 4 and other park users, as part of the design process.

On the positive side, this area of the Park also includes another opportunity for a soft edge where some combination of habitat enhancement, environmental education and/or non-motorized boating could occur. This is because immediately south of Pier 76 is an area where there is no historic bulkhead. Additionally, the Trust has the opportunity to design a permanent composting center that is better integrated into the Park landscape. Since the Park's earliest composting efforts in 2015, the Program has grown into a Park-wide operation turning over several hundred thousand pounds of food scraps and yard waste into compost, benefiting Park landscapes each year.

The combined budget for the West 29th to West 44th Street zone is estimated at approximately \$67 million, with funding in place from a mix of City, State and Trust self-generated funds from the sale of excess air rights at Piers 59, 60 and 61 in Chelsea.

Finally, Pier 76 is located within this section of the Park. The challenges facing the Trust with respect to redevelopment of this pier, which under the Act is considered a "park/commercial" pier, are addressed below.

### **Future Construction: Pier 40 and Pier 76**

Hudson River Park's long-term financial health depends on the futures of Pier 40 and Pier 76 -- the two remaining Park piers whose futures have not yet been resolved. Pursuant to the Act, both piers have dual intended roles: supporting the overall park financially

through permissible commercial uses while also providing needed public open space. As designated “park/commercial” piers under the Act, both piers are intended to be redeveloped for a combination of Park uses on at least 50% of their footprints, with revenue generation from permissible commercial uses on the balance.

Within the Park are other park/commercial piers that help support the operations and continuing maintenance of the overall Park. Each has a unique story, though all are linked by their maritime pasts.

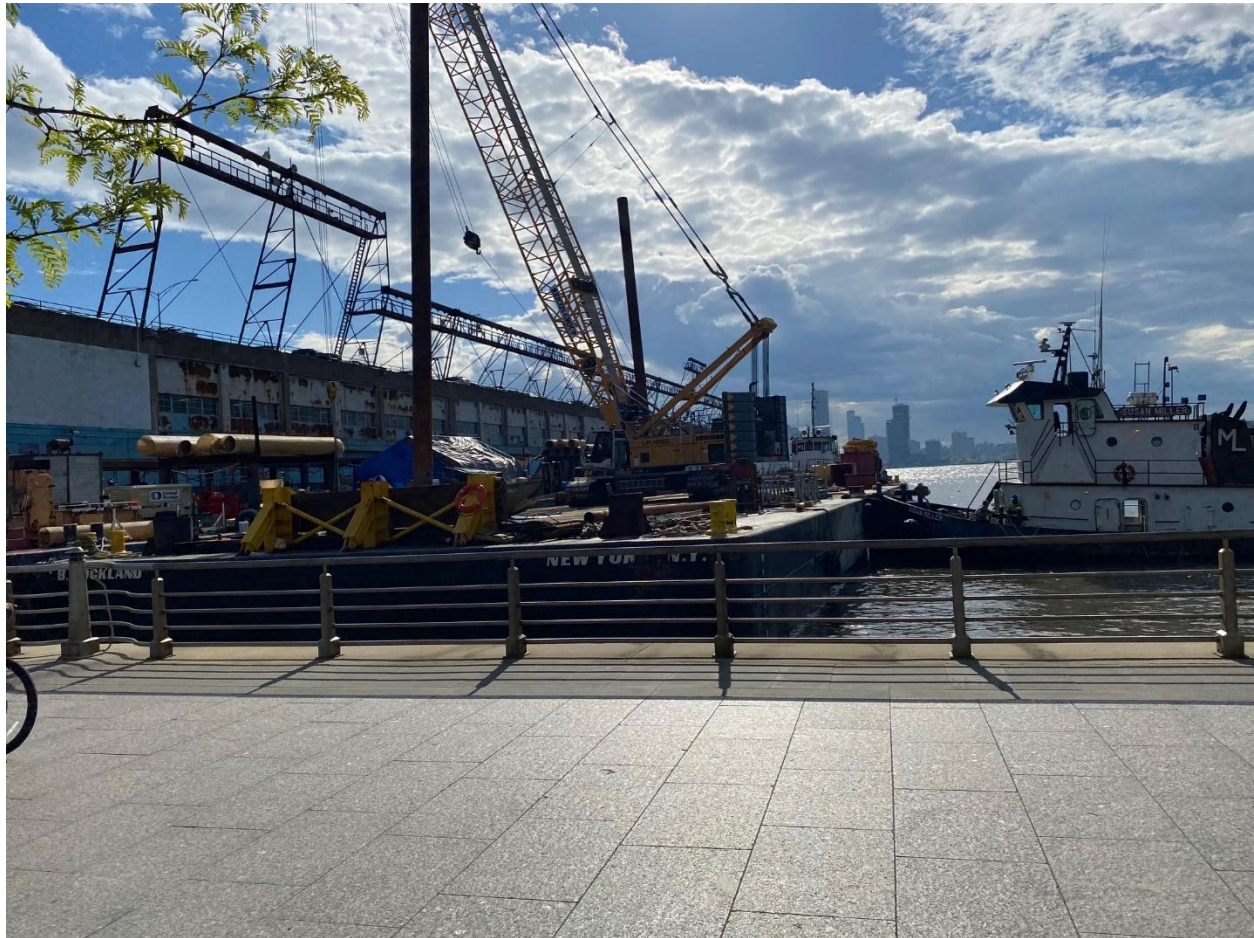
- In Midtown, Circle Line operates commercial boats offering sightseeing and dining cruises from Pier 83 and Pier 81 in Midtown. The Trust inherited a lease that long predated the Park when the Act was passed, and later achieved a successful lease renewal that resulted in the recapture of once commercial space. Thus, an area that was once used for parking cars is now a temporary public esplanade, awaiting final landscaping as part of the Trust’s West 29<sup>th</sup> through West 44<sup>th</sup> Street project discussed above. Higher rent for the Park was also achieved through the negotiation.
- At Pier 98, Con Edison operates a water-dependent use that again predates creation of the Park. In 2009, the Trust was able to secure financial and other betterments when that lease was renewed.
- As discussed above, in Fiscal Year 2023, the Trust completed a new lease with Chelsea Piers, the Park’s largest commercial tenant, that generates more income, imposes new requirements limiting future commercial uses, and requires certain public access improvements as well.
- At Pier 57, a process to convert the historic pier from former municipal bus depot to mixed-use pier that began in 2008 has resulted in an award-winning restored building offering extensive new indoor and outdoor public and other public amenities.

At each of these locations, private sector partners pay to maintain the pier infrastructure – relieving the public of this responsibility – while also paying rent that the Trust uses to pay for salaries, utilities, public safety, cleaning, and other staff and services throughout the Park. The Trust must still find long-term use solutions for Pier 40 and Pier 76 that enable each pier to be similarly beneficial.

## Pier 40

Pier 40 is the largest property in the Park. When Hudson River Park was created, it was already home of a very large commercial parking garage, commercial vessels, and one rooftop ballfield built by the NYS Department of Transportation while the Park was being planned. Unfortunately, it was also already in poor structural condition. For a number of

years consecutively, the Trust had to fund very costly infrastructure projects at the pier, including multiple roof and stairwell repairs and replacement of non-functioning anodes on steel piles.



Thanks to an amendment to the Act a decade ago, followed by subsequent zoning actions and the Trust's own mandated "significant action" public review process, the Trust was able to secure approvals to sell 100,000 square feet of air rights from Pier 40 to an inland developer in exchange for \$100 million in 2016. That infusion of funding along with an additional \$14.1 million made available by the City to address other Pier 40 building infrastructure deficiencies has allowed the Trust to complete a comprehensive pile restoration program, an additional restored section of roof, and the complete refurbishment of two of the three public ballfields, among other projects. As of today, the pier is in substantially improved condition as compared to several years ago.

With that said, there are still significant infrastructure concerns that must still be addressed, such as continuing sprinkler system upgrades, façade repairs, and another section of new roof inclusive of a refurbished ballfield in that area. Remaining funds from the air rights sale will not be sufficient for all of this work.

The Trust has had two failed redevelopment processes for Pier 40, and has previously engaged in discussions with elected officials and community members to determine



whether office use in particular might become a permissible use under the Act. Prior to COVID, the Trust created a new task force to consider options for both Pier 40 and Pier 76, but COVID halted this process prematurely, before any of the positive ideas that were generated within the task force could advance. Since then, while the City has continued to recover from COVID, the Trust has concentrated on continuing to make infrastructure repairs at Pier 40 while also actively managing the Pier 40 parking garage and other uses at the pier.

For the current Fiscal Year, the Trust expects almost \$9 million in net operating income from Pier 40 parking. Commercial maritime and other uses contribute another \$2 million. Unfortunately, once the remaining air rights proceeds – approximately \$15 million – are extinguished, the Trust will again need to spend its own monies on critical infrastructure needs, thus diminishing or eliminating the positive budgetary impact Pier 40 is currently producing for the Park's overall operations.

Because it does not currently appear that there is a market for commercial office use or other comprehensive redevelopment of the entire 15-acre pier, the Trust believes it may be beneficial to consider mid-horizon opportunities for Pier 40 that include continuing the parking and commercial vessel use that currently use the pier, supporting the ballfields that serve hundreds of thousands of Park users, each year, and exploring opportunities to generate new revenue. Examples might be through sponsorship of the ballfields, repairing currently unusable portions of the pier and introducing modest new commercial uses consistent with the Act in them, or other ideas that might emerge. Pier 40 should be improved in the long term – both as open space and as a pier that generates more revenue for the Park – but for the moment, the Trust intends to focus primarily on Pier 76, which at present, has greater physical needs.

## Pier 76

Pier 76 became part of Hudson River Park in June 2021, after the NYS Office of Parks, Recreation & Historic Preservation completed a remarkably fast construction project that transformed the former tow pound into an interim public open space operated by the Trust within a period of six months. Given its very large, flat expanse, the pier was instantly in demand as a location for pop-up events executed by external partners on a fee basis.

Since then, the Trust has hosted many free in-house public programs on the pier including Blues BBQ, the popular Sunset Salsa participatory dance program, and bike riding lessons, along with the annual New York City Wine and Food Festival benefitting God's love We Deliver and other food charities. All



these events are returning in 2023. The Trust has also allowed the pier to be rented for fashion shows and other revenue-generating uses.

While such initial successes are notable, as with Pier 40, the Trust faces significant future financial challenges associated with this pier. 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 both landscaped public park and 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 future commercial building.

As noted above, immediately prior to the pandemic, the Trust spent several months working with elected officials and community members 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, including those associated with caring for a physically expanding park and aging public assets. 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.

The Trust is about to relaunch the Task Force, this time focused only on Pier 76. While safe for current use, underwater inspections have revealed evidence of marine borer damage to the piles, and eventually, these piles will fail, as is common at other piers supported by wooden structures throughout our harbor. The Trust needs to begin planning for Pier 76's future before this occurs, and hopes that through the Task Force process, it can develop some actionable ideas and recommendations, including potential legislative changes if needed. The future of the pier and the Park's overall financial health both depend on it.

## SUMMARY OF CAPITAL BUDGET FUNDING

**Table 1: Capital Plan – Sources and Uses for New Park Construction** identifies the elements of Hudson River Park that are still incomplete, and identifies, for each, the estimated total construction cost based on information available at this time. Where known, specific funding sources are identified.

Costs related to the permanent redevelopment of Pier 40 and Pier 76 as “park/commercial” piers inclusive of required public open space cannot be estimated in the absence of specific development proposals and are not included in this table.

The projects identified are large, multi-year initiatives with preliminary planning, design and construction phasing. The cost estimates included in the table are those for the entire project over these multi-year periods.

The **Current Large Capital Maintenance Projects** portion of Table 1 details multi-year Capital Maintenance (capital repairs or renovation of existing facilities) currently underway.

Table 1: Capital Plan – Sources & Uses for New Park Construction (Major Projects) (\$000,000)									
Use of Funds (Capital Project)	Est. Cost (\$ mil)	NYC Available	NYS Available	Restricted Available	Private Available	Air Rights	HRPT	Not Known	Est. Compl. Date
Pier 26 Estuarium **	\$33.90	\$4.60	\$9.75		\$5.00		\$3.90	\$10.65	N/A
Pier 26 Science Playground*	\$4.53	\$1.23			\$2.78		\$0.52		2023
Gansevoort Peninsula (incl. marine and buildings)*	\$73.10	\$50.00		\$23.10					Summer 2023
Chelsea Waterside Park Comfort Station&Kiosk*	\$3.34	\$0.34				\$3.00			Spring 2023
W 29 <sup>th</sup> to W 44 <sup>th</sup> (including Habitat Beach)**	\$66.70	\$23.00	\$18.00			\$25.70			2027 (subj. to outside factors)
Pier 97 Park (incl. marine platform and building)*	\$46.84		\$40.10			\$6.74			Fall 2023
<b>Subtotal</b>	<b>\$228.41</b>	<b>\$79.17</b>	<b>\$67.85</b>	<b>\$23.10</b>	<b>\$7.78</b>	<b>\$35.44</b>	<b>\$4.42</b>	<b>\$10.65</b>	
Current Large Capital Maintenance Projects– Sources & Uses									
Pier 40 Infrastructure (Partial*)	\$121.60	\$14.10	\$2.00		\$5.50	\$100.00			2024
Chelsea Waterside Park Phase 2* Renovations	\$12.01	\$5.44				\$6.57			Spring 2023
Other Capital Maintenance * **	See Table 2								
<b>Subtotal</b>	<b>\$133.61</b>	<b>\$19.54</b>	<b>\$2.00</b>	<b>\$0.00</b>	<b>\$5.50</b>	<b>\$106.57</b>	<b>\$0.00</b>	<b>\$0.00</b>	
<b>TOTAL</b>	<b>\$362.02</b>	<b>\$98.71</b>	<b>\$69.85</b>	<b>\$23.10</b>	<b>\$13.28</b>	<b>\$142.01</b>	<b>\$4.42</b>	<b>\$10.65</b>	
<b>% TOTAL</b>		<b>27.27%</b>	<b>19.29%</b>	<b>6.38%</b>	<b>3.67%</b>	<b>39.23%</b>	<b>1.22%</b>	<b>2.94%</b>	
Note 1: Projects denoted with * are presently under construction; projects with ** are presently under planning and/or design and estimates are preliminary. For Pier 40, other future capital maintenance work is expected to be needed to address other pier condition concerns. Preliminary costs have not yet been estimated for Pier 76 infrastructure. Table does not include cost assumptions for long-term redevelopment scenarios inclusive of public open space for Pier 40 or Pier 76. Certain bulkhead areas adjacent to identified projects have not yet been surveyed or their associated repair costs assessed.									
Note 2: For the Estuarium, NYS Capital Funding includes \$4.75 million in private settlement Funds directed to HRPT by NYS and \$5 million in NYS Funds.									

With respect to the Estuarine Sanctuary, unlike public open space, specific locations or projects related to habitat enhancement were not identified in the Hudson River Park Act. The Trust works with the NYS Department of Environmental Conservation and other partners to identify habitat enhancement projects on a case-by-case basis informed by scientific goals.

While future habitat enhancement initiatives are anticipated within the Trust's adopted Estuarine Sanctuary Management Plan, specific cost estimates for such projects are not identified in Table 1, except for those included as part of the Gansevoort Peninsula and 29<sup>th</sup> to 44<sup>th</sup> Street projects. Other Sanctuary costs, including research and education activities currently under way, are not considered capital costs and are included within the Trust's annual operating budget.

**Table 2: Anticipated Capital Spending (New Construction) in FY 2023-24** below identifies the amount of funding for specific new construction projects included in the Trust's annual budget adopted for the current fiscal year (FY 2023-24). The costs in Table 2 are partial costs and are limited to those expected to be incurred in the 2023-24 fiscal year.

The **Major Capital Maintenance – FY 2023-24 Portion** of Table 2 details the amount and sources for current year spending anticipated for the multi-year projects identified in Table 1, further designated as Pier 40, Marine, and Upland Park investments.



Table 2: Anticipated Capital Spending (New Construction) in FY 2023-2024					
Use of Funds (Capital Project)	Est. Total Cost	Full Project Funding Sources	FY 2024 Expenditure	FY 2024 Funding Source	Est. Completion Date
Pier 26 Estuarium**	\$33,900,000	HRPT/NYS/NYC/ PRIVATE/TBD	\$1,150,000	HRPT	N/A
Pier 26 Science Playground *	\$4,525,000	NYC/HRPT/Friends	\$2,350,000	NYC/HRPT/Friends	2023
Gansevoort Peninsula (including marine and building)*	\$73,100,000	NYC/RESTRICTED	\$16,940,575	NYC/RESTRICTED	2023
Chelsea Waterside comfort station and kiosk*	\$3,343,924	AIR RIGHTS /HRPT	\$320,310	AIR RIGHTS /HRPT	2023
W29th to W44th Incl Habitat Beach**	\$66,700,000	NYC/NYS/AIR RIGHTS	\$1,250,000	AIR RIGHTS	2027 (subj. to outside factors)
Pier 97 Park (including upland platform and building)*	\$46,840,000	NYS/AIR RIGHTS	\$19,917,370	NYS/AIR RIGHTS	2023
Estuary Enhancements **	\$450,000	NYS Restricted	\$450,000	NYS	2023
Misc. Small Projects**	\$250,000	HRPT	\$250,000	HRPT	2024
<b>SUBTOTAL</b>	<b>\$229,108,924</b>		<b>\$42,628,255</b>		
Major Capital Maintenance - FY 2023-2024 Portion					
Use of Funds (Capital Maintenance Project***)	Est. Total Cost	Full Project Funding Sources	FY 2024 Expenditure	FY 2024 Funding Source	Est. Completion Date
<b>Pier 40</b>					
Pile Repair	\$80,000,000	AIR RIGHTS	\$796,132	AIR RIGHTS	2023
Roof Repair (select areas)	\$16,500,000	AIR RIGHTS/NYC	\$120,050	AIR RIGHTS/NYC	2023
Fire Suppression Systems	\$15,000,000	AIR RIGHTS	\$4,760,402	AIR RIGHTS	2024
Building Other (select areas)	\$8,695,690	AIR RIGHTS /HRPT	\$8,047,840	AIR RIGHTS /HRPT	rolling dates
<b>Marine</b>					
Repairs (select areas)	\$2,000,000	HRPT	\$1,924,013	HRPT	rolling dates
Inspection (select areas)	\$700,000	HRPT	\$700,000	HRPT	rolling dates
<b>Upland Park</b>					
Chelsea Waterside Park Phase 2* Renovations	\$12,000,000	AIR RIGHTS/NYC	\$1,150,000	AIR RIGHTS/NYC	2023
Park Reconstruction	\$5,850,000	AIR RIGHTS/NYC/HRPT	\$5,851,020	AIR RIGHTS/NYC/HRPT	rolling dates
LED Lighting & Electric	\$150,150	NYC	\$150,150	NYC	rolling dates
Paving	\$794,510	HRPT	\$794,510	HRPT	rolling dates
Grounds, Other	\$2,711,926	HRPT	\$2,711,926	HRPT	rolling dates
<b>SUBTOTAL</b>	<b>\$144,402,276</b>		<b>\$27,006,043</b>		
<b>TOTAL</b>	<b>\$373,511,200</b>		<b>\$69,634,298</b>		
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. 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. New Construction Capital Projects denoted with asterisk* are presently under construction, those with asterisk** are presently under planning and/or design. Capital Maintenance Projects*** have multiple projects in most categories and are a mix of under construction and in planning and/or design.					