

# HUDSON RIVER PARK FINANCING PLAN FISCAL YEAR 2024-25

June 30, 2024



**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, 2024.***

***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>.***

## HUDSON RIVER PARK AFTER A QUARTER CENTURY

The Hudson River Park Trust (the “Trust”) is charged with the design, construction, operation and maintenance of Hudson River Park (the “Park”). Established in 1998 by New York State legislation known as the Hudson River Park Act (the “Act”), the Park extends in and along four miles of Manhattan’s Hudson River from approximately Chambers Street to West 59<sup>th</sup> Street. Because the Park occupies property owned by both New York State and the City of New York, the Trust is a partnership between both parties.



When the Act was passed, the state and city came together with a unified vision to reimagine a series of unused and decaying piers originally built for shipping as inspiring public open spaces. The piers would be linked by a continuous waterside esplanade and abundant landscaping. Other piers hosting both water-dependent municipal uses and commercial and cultural activities including the Circle Line, Chelsea Piers, and the Intrepid Museum were incorporated into the Park’s boundaries, and several sites were identified as future revenue generating opportunities in support of the legislative vision of a financially self-supporting park on an operating basis. Critically, approximately 400 water areas were simultaneously designated as an Estuarine Sanctuary, and the Trust was charged with developing a management plan to protect and enhance this important habitat area.

The first completed Park area opened for public recreation in 2004. Ever since, the Trust has been working to complete the Park vision established through its enabling statute. It has done so while operating and stewarding the areas that have been placed into service, and while simultaneously seeking funding not just for Park completion, but also to ensure its continuing success into the future.

In 2023, the Park celebrated the 25<sup>th</sup> anniversary of its creation through passage of the Act. Coincidentally, that anniversary coincided with the opening of approximately seven acres of new public open spaces at the Gansevoort Peninsula and Pier 97. As it happens, both areas were used for municipal sanitation operations when the Act was passed.

The Trust is now nearing the point where all major originally planned public recreational components envisioned by the Act are in service. Design of the two remaining locations – the Estuarium and the area from 29<sup>th</sup> to 46<sup>th</sup> Streets -- is now under way, and the Trust has sufficient funding on hand for the area from 29<sup>th</sup> to 46<sup>th</sup> Streets. Meanwhile, some of the earliest built piers and amenities are now more than twenty years old. With age comes the need for more – and more costly – care.



For example, in 2024, the Trust reconstructed the Pier 45 boardwalk, salvaging and reusing original wood wherever feasible after rebuilding the supporting base. In this case, the Trust was fortunate to receive discretionary funding from the City Council for this \$1.2 million project. However, there are many additional looming capital maintenance projects that are substantially more costly, such as the costs of repairing the thousands of piles supporting public park piers to keep them in a state of good repair, or the continuing costs of addressing serious structural concerns at Pier 40 and Pier 76. Together, these two piers alone occupy nearly twenty acres. While both piers are in use now,



there are opportunities at both piers to create better public open space. In addition, revenue generation opportunities should be strengthened at each location, consistent with the Act and other requirements. Pier 40 is an established facility, while Pier 76 is a more recent addition to the Park and must be fully reconstructed before it can fulfill its potential.

The Trust inherited Pier 40 in very poor structural condition and has to date invested more than \$140 million in repairs to piles, roofs, facades, stair reconstructions, sprinkler systems and more, yet there is significantly more work required to bring the building into a state of good repair. The Trust continues to invest in this asset because of its dual importance to the Park as a place for public recreation – the multiple ballfields located at this site serve hundreds of thousands of children and adults each year – and because this pier also generates significant operating income to support overall Park operations. Income from Pier 40 comes primarily from the Pier 40 parking garage, but also through commercial maritime operations and assorted other smaller commercial sources. Pier 40 also serves as the Trust’s home base, providing spaces for administrative offices, storage and necessary Park vehicles and equipment.

Pier 76 was incorporated into the Park in 2021 following removal of the former municipal tow pound by New York State. It currently serves as interim public open space while awaiting its future as an improved park/commercial pier as defined in the Act following pier reconstruction which is currently unfunded.

As the Park enters the second quarter of its first century, the Trust anticipates spending close to \$120 million on new construction in the next five years. The Trust has also identified approximately \$80 million in anticipated capital maintenance needs that should optimally take place within that period. Meanwhile, the Trust must also continue to generate the funds needed to care for the existing Park areas.



The Trust has established and maintains a high standard for core cleanliness, safety, and horticultural functions. It also develops and delivers hundreds of free and low cost recreational and environmental programs each year. The addition of 7 acres of new open space in 2024 has required the Trust to increase sanitation, security, maintenance and horticulture services; these and other costs including higher prices for certain contractual services due to inflation and new labor agreements have resulted in increased costs to the Trust’s annual operations budget. While the Trust carefully manages its budget with these challenges in mind, planning for the future must carefully balance these growing operating costs alongside the increasing capital challenges associated with maintaining aging park infrastructure.

Neither the city nor the state provides direct operating support for the Park’s maintenance or operations. The Trust has to date achieved the legislative goal of financial self-sufficiency on an operating basis by generating revenue from a combination of leases, permits, fees, donations and other sources. The Trust’s adopted budget for Fiscal Year 2024-25 anticipated increases to both revenues and operational costs. However, as the Trust looks ahead, even with budget discipline, self-generated income will not be sufficient to cover increasing capital maintenance costs, which were not considered when the Act was passed.



In addition, the Trust must be prepared for external shocks, such as the challenges posed by Covid or the after-effects from damage from flooding and other forms of extreme weather. Downturns in tourism, broader economic downturns, or outsized increases in utility or pension costs -- factors beyond the Trust's control – are other forms of future financial risk. Without adding significant additional revenue, the Trust will eventually face challenges similar to those faced by other public parks that do not have consistent revenue streams, and the Trust would be forced to defer capital maintenance or make reductions in service. This is why the Trust must diligently plan for the future while also caring for the Park today.



In order to be fully self-sufficient – able to cover both increasing operating and capital maintenance costs -- the Trust must eventually secure new commercial income at Pier 40 and Pier 76. The sale of additional unused development rights as permitted under the Act (subject also to local zoning) is another opportunity – particularly to help fund Pier 76 infrastructure. Increased partnerships with corporations – many of which have significant inboard presence in neighborhoods abutting the Park – also merit continued exploration, as of course does continuing to grow philanthropic support including through the Park's fundraising partner, Hudson River Park Friends (Friends).



The Park has contributed significantly to the vitality of New York, resulting in billions of dollars of direct and indirect benefits to the city and state since 2000. Completing the Park and ensuring that it is on solid financial footing as it continues to mature will expand high-quality public open space for all New

Yorkers while also continuing to catalyze tourism, investment in surrounding neighborhoods, and other public benefits.

## GOVERNANCE, FUNDING SOURCES AND FUNDING

Hudson River Park is a uniquely collaborative, joint effort to revitalize a large portion of the Manhattan shoreline between the state and city. The Trust's Board of Directors is appointed by the Governor of the State of New York (5 appointees), the Mayor of the City of New York (5 appointees) and the Manhattan Borough President (3 appointees, two voting).

In planning and stewarding the Park, the Trust furthers the spirit of collaboration embodied by this partnership by working closely with its Advisory Council, local community boards, and dozens of civic, environmental, corporate and non-profit partners – also in accordance with the original vision of the Act. The Park's design and operational successes are a direct result of the efforts the Trust makes to engage with constituents regularly and directly.

Since inception, new construction of public piers, esplanades and other public areas has been funded primarily through state and city capital funds allocated by the Governor and the Mayor through the state and city's respective budgeting processes. The Trust has also sought and received supplemental monies from the Federal government, discretionary grant allocations from elected officials, and from private sources, such as philanthropic contributions, sponsorships and income derived from the sale of eligible development rights. In addition, the Trust has received restricted funding as a beneficiary in connection with certain litigation and administrative settlement agreements earmarked for specific improvements within the Park at Pier 97, Gansevoort Peninsula and the Pier 26 Estuarium.

The Act prohibits the Trust from issuing debt. Therefore, all elements of the capital plan, including funding for capital maintenance, must be funded by monies on hand, even when the costs of construction are reimbursed from outside resources such as New York State and New York City. The Trust must further maintain high levels of reserves to accommodate funding of the capital program, working capital, emergency reserves, reserves for economic uncertainties such as the recent pandemic, capital maintenance reserves and reserves for future unfunded liabilities.

To date, capital funds committed from the state and city total approximately \$600 million, excluding approximately \$24 million in additional discretionary appropriations earmarked for specific projects – generally capital maintenance projects – that the Trust has sought from local elected officials. Federal funding of approximately \$110 million from the U.S. Department of Housing and Urban Development (HUD) funded construction of much of the Park's Tribeca area through the Lower Manhattan Development Corporation following the terrorist attack of 9/11. HUD funds also enabled the Trust to replace Pier 86, which is leased to the Intrepid Museum while also serving as public open space.





Philanthropy has also meaningfully contributed to new park construction. At Little Island, the Trust worked with the Diller-von Furstenberg Foundation to conceive and build a new 2.7-acre public pier dedicated to parkland with performing arts programming, with the foundation providing the vast majority of the funding for this more than \$250 million undertaking. In Tribeca, private funds from Citi and Hudson River Park Friends enabled the Trust to complete both Pier 26 and the recently opened Science Playground.

Internally generated revenues round out the financing sources for the Trust's annual capital plan. The Trust generally – though not always -- uses such funds for necessary capital maintenance. To the extent the Trust is able to generate excess revenue not needed for annual operating expenses, the Trust typically reserves such funds for current or future capital maintenance needs. Such funds have been augmented by several “one shot” injections – most notably, from the sales of eligible development rights from certain piers. To date, the Trust has completed three such sales to inland property developers. Future availability of new inflows from such funds is subject to market availability and is not guaranteed on an ongoing basis.

The proceeds from these sales are restricted to expenditure within certain areas of the Park. At Pier 40, the resulting funds were catalytic in enabling the Trust to undertake a crucial, comprehensive pile repair program and other important structural repairs. Proceeds from sales in Chelsea have enabled the Trust to construct new public restrooms

in Chelsea Waterside Park, to undertake a portion of the Pier 97 project, and to set aside other funds for other future construction needs within Community Board 4.

In Fiscal Year 2023-24, the Trust secured two additional one-time payments, together totaling approximately \$17.2 million. One payment was from a required transaction fee from the Trust's tenant at Chelsea Piers, and the second was for a long-term easement associated with the planned Gateway Tunnel project that is expected to commence construction within Hudson River Park in early 2025. Such payments were not anticipated at the start of the budget year.

The recent completion and near completion of the Gansevoort Peninsula, Pier 97, Chelsea Waterside Park improvements, and the Pier 26 Science Playground has resulted in the Trust spending approximately \$110 million in new construction over the past few years. Over the last two years, over \$30 million was expended on capital maintenance. Entering Fiscal Year 2024-25, the Trust is close to expending or committing all previously secured restricted monies from the \$100 million sale of development rights from Pier 40 on additional structural improvements at this pier.

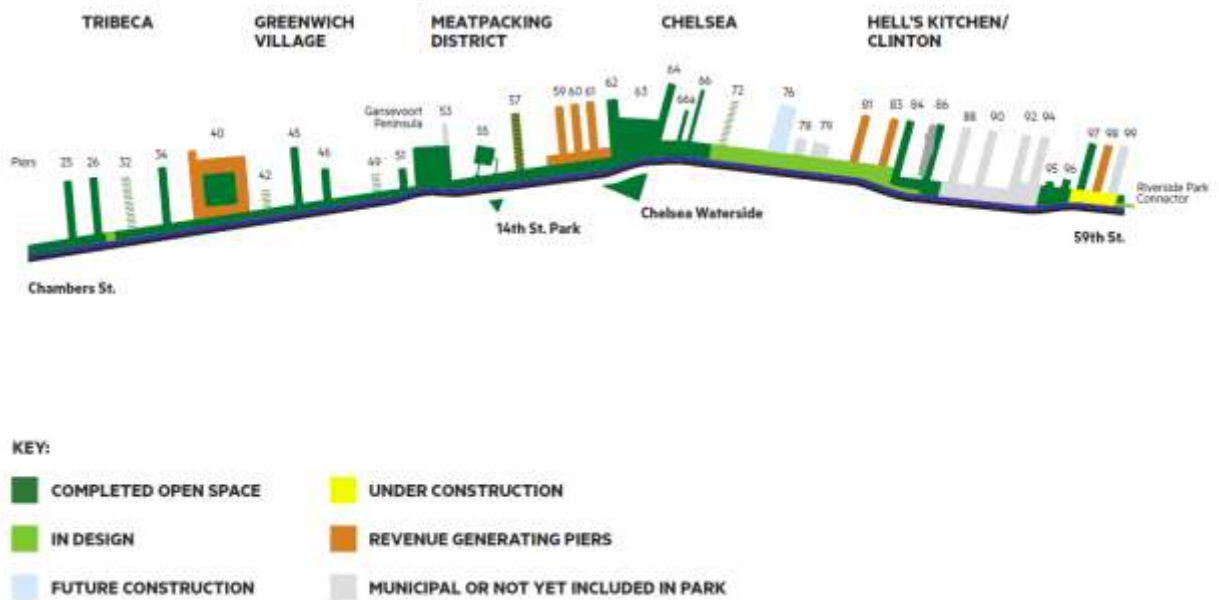
Please refer to Table 1 in the last section of this report for the current capital plan for new park construction and the breakdown of expected funding sources. The Trust will continue to spend restricted funds dedicated to capital construction, along with State and City capital funds, Trust funds and limited private funds on new construction and capital maintenance of aging facilities in accordance with the Capital Plan.

## **REALIZING THE PARK'S LEGISLATIVE VISION**

In addition to approximately 150 acres of upland Park, the Trust is also responsible for approximately 400 acres of the Hudson River estuary inboard of the United States Pierhead Line that, pursuant to the Act, serves as an ecological sanctuary for marine and other natural resources. The Trust actively manages and enhances the in-water areas through research, stewardship programs, and physical habitat enhancements.

The diagram below shows the current status of Park design and construction, a multi-decade effort to realize the Park vision set forth in the Act. As of March 31, 2024, approximately \$966.5 million has been expended on new Park construction, capital maintenance, and the construction of facilities serving certain not-for-profit and public sector users, such as the Intrepid Museum at Pier 86 and the New York City Fire Department Marine Division at Pier 53. Funds expected by private Park partners at Park commercial piers including for public amenities at those sites is not included within this total.

**CONSTRUCTION STATUS MAP**  
June 27, 2024



The narrative that follows describes the status of park areas that opened to the public during Fiscal Year 2023-24, while also providing the current status of areas identified as being either in design or pending future construction.

## NEWLY COMPLETED PARK AREAS

### Pier 26 Science Playground (Opened January 2024)

Construction of the new Science Playground in Tribeca adjacent to Pier 26 was completed in January 2024. While the temperatures were frosty, a group of school children joined staff and donors for the official opening, and this new play area has since been packed with delighted children and their caregivers ever since.

The project was funded primarily by the Trust’s non-profit fundraising partner, Hudson River Park Friends, with additional support from the Manhattan Borough President and the City Council. The Science Playground includes unique play equipment highlighting Hudson River marine life, including a 90-foot Atlantic sturgeon and a 49-foot Shortnose sturgeon, along with slides, climbing nets and other features designed as aquatic organisms. Children explore fish “anatomy” inside each of the two sturgeon structures and interact with additional marine-oriented play features.



The total cost of this project was \$4.72 million, inclusive of \$2.76 million in private funding and \$1.23 million in city capital funds. The Trust contributed \$735,000 to support costs associated with unforeseen conditions, including removing subsurface obstructions.

### **Gansevoort Peninsula (Opened October 2023)**

Construction of the 5.5 acres of new public park at Gansevoort Peninsula, a former Department of Sanitation facility, was substantially completed in late September 2023.

The public opening occurred on October 2, 2023, with Governor Hochul, Deputy Mayor Meera Joshi, Manhattan Borough President Mark Levine and other elected officials, Trust Board members, and community members coming together to celebrate the new park space. As luck would have it, the opening coincided with a full week of glorious summer-like weather, enabling the public to enjoy the new non-swimming beach, Adirondack chairs, and other amenities.





Gansevoort Peninsula includes a large sports field, sand, and a rocky beach with a landing for nonmotorized boats, an adult fitness area, public seating and rambling walkways. A new salt marsh on the north side coupled with submerged reef balls and oyster gabions enhances marine habitat in the Park's Estuarine Sanctuary, while also improving resiliency and creating new educational and research opportunities. The new dog runs, with one for large dogs and one for small dogs, as well as a special dog socialization area, opened on December 11, 2023. Construction of the new public restrooms and park maintenance buildings continued into Fiscal Year 2024-25, with an expected opening in the summer of 2024.



With all but “punch list” tasks completed, the final cost of the Gansevoort Peninsula is expected to be just under \$70 million, below the budgeted amount of \$73.1 million. The City provided the funding for the project with \$43.2 million of City capital funding and \$25.5 million from City provided restricted available funds.

### Chelsea Waterside Park Restrooms and “Phase 2” Improvements (Opened June 2023)



Chelsea Waterside Park Phase II upgrades, including a new restroom facility with solar panels, an expanded picnic area, a capital upgrade to the previous landscaping, a reconstructed synthetic turf field, energy efficient lighting, a larger dog run with separate areas for large and small dogs, and other improvements opened in phases beginning in November 2022. In June 2024, the Trust held a ribbon-cutting ceremony to celebrate the completion of this project joined by State legislators, the Manhattan Borough President’s office and many members of Community Board 4, the Park’s Advisory Council, and the Chelsea Waterside Park Association.

Total project costs of approximately \$15.4 million were funded with \$5.44 million in City capital funds provided through the City Council and \$9.96 million from the Trust through restricted proceeds from prior sales of development rights in Chelsea. A small snack kiosk will be added in Fiscal Year 2024-25.

## Pier 97 (Rolling Openings Commencing December 2023)

Pier 97 construction began in Fall 2021, and the Trust opened the majority of the pier to the public in December 2023, while continuing construction on other areas. The Trust expects to open the pier fully in Summer 2024, after which the adjacent park building including public restrooms, a small concession and a park maintenance area will then open. Pier 97 includes a playground with water spray features, a granite “all ages” slide, a sports field, gently sloping lawns, an elevated belvedere with integrated seating, and sunset plaza chairs for relaxation.



The projected cost of Pier 97 is approximately \$47 million, with funding of \$40.1 million from State capital funding and \$6.9 million from restricted funds available from the Trust’s previous sales of development rights.



Nearby, the Trust continues to provide the necessary plans and other documents to the New York State Department of Transportation as precursors to receiving expected federal funding for completing finishes for the permanent esplanade and bikeway between Pier 97 and New York City's Riverside Park South at 59<sup>th</sup> Street.

### **PARK AREAS CURRENTLY IN DESIGN**

Planning and design of Hudson River Park occurs within a carefully structured environmental and regulatory framework and has the goal of providing for a wide variety of active and passive recreational opportunities, including children's playgrounds, recreational fields and courts, restroom facilities, small food concessions, boathouses, lawns, gardens, public art, educational and cultural spaces, historic ships, and more. Trust staff, architects, engineers and landscape architects have worked closely with local community members to identify specific programs and elements for the various piers and upland areas in each community.

As Park development advances, areas to be designed continue to undergo planning in collaboration with local stakeholders, consistent with Trust practices since inception. Cost estimates and available funding sources for these projects are detailed in the funding tables in the last section of this report to the extent that can now be anticipated.



## Pier 26 Estuarium

Plans for the Park have always included an “estuarium” – a river research and education facility core to the Park’s mission and obligations with respect to the Estuarine Sanctuary. The Trust contracted with Sage & Coombe Architects teamed with EHDD to lead the design team for this effort at the end of Fiscal Year 2022-23. Sage & Coombe is a local Tribeca firm and a NYS-certified M/WBE business, and EHDD is a California-based firm with significant experience on projects featuring aquaria as well as a leader in designing climate positive buildings.



At this time, designs for the building, adjacent landscape, exhibits, water intake and mechanical systems, and other aspects of the project are progressing, and the Trust has hosted public meetings to share progress and solicit feedback. These planning efforts will continue as the Trust seeks the balance of funding required for this project. While a more refined cost estimate will be developed as design advances, at this time, the Trust estimates that a shortfall of approximately \$15 million against currently committed funding from private, City, State and Trust funds. To date, only Trust funds have been spent on design and preliminary construction management services.

## WEST 29<sup>th</sup> STREET to WEST 46<sup>th</sup> STREET

In January 2024, the Trust selected a team lead by Marvel Architects, Landscape Architects and Urban Designers (“Marvel”) to design the unfinished area of the Park located between West 29<sup>th</sup> and 46<sup>th</sup> Streets. This area will be very challenging to design and construct due to existing land uses and tenant occupancies, such as the heliport, Circle Line, the privately-owned Pier 78, and the Manhattan ferry terminal at Pier 79, all

of which have significant car, bus and pedestrian traffic. Furthermore, underground construction on the Hudson Tunnel of the Gateway Project is scheduled to commence in early 2025 and continue for three years, with an above-ground construction area in the Park within a portion of the area now used for the heliport.

Marvel has commenced performing surveys and other foundational work, and the Trust expects to launch community engagement with the design team in Summer 2024. Funding for the design and construction of projects in this section of the Park is available from City and State funds along with funds available to the Trust from a sale of development rights. The Trust currently expects to phase construction within this zone so that improved public open space can be delivered to a portion of the site as quickly as possible while planning and coordination occurs in the balance.



## **PIER 76 – CURRENT AND FUTURE PLANNING AND CONSTRUCTION**

### **BACKGROUND**

Pier 76 is a unique public asset and, at 5.6 acres, the second-largest location within the Park footprint. It is across West Street from the Jacob Javits Convention Center and is bordered on the north by public and private maritime-related uses. It is intended by the Act to add significantly to New York’s public open space network, while also hosting revenue-generating uses supporting the Park’s ability to be financially self-supporting pursuant to its legislative mandate.

Pier 76 became part of Hudson River Park in June 2021, after successful community and elected official advocacy led to removal of the New York City Police Department tow pound on the site. The NYS Office of Parks & Historic Preservation removed the building and improved the space for public use before turning the pier over to the Trust. The Trust has operated Pier 76 as interim public open space since that time.





*Spalled concrete*



*Marine borer damage*

The pier is supported by thousands of wooden piles. Marine borers have damaged many of these piles, and the Trust restricts access and uses to certain areas due to the loss of load bearing capacity. While still safe for use, the piles will eventually fail without intervention, as is common at other piers supported by wooden structures throughout the harbor.

While it is not possible to predict the failure date, the Trust knows from its own operating experiences at other park piers that, over time, more and more closures will be required. Eventually the pier will need to be rebuilt completely. Given the pier's scale, this will be very costly, although ultimately less costly than making band-aid repairs over a long period of time.

For any long-term development, the Trust expects costs of approximately \$150 million for new piles and a new concrete deck, plus the additional costs of basic park and amenities, including landscaping, on the infrastructure base. It is not possible from an engineering perspective to predict the date when the pier will need to be closed, but for planning purposes, the Trust assumes this would occur within 15 years.

The Trust does not expect that the future commercial use on the pier will fund the costs of building out the pier's pile and deck, nor would it fund the additional costs of building the future public park in the portion of the pier devoted to public park use. Instead, "outside

monies” – i.e., monies not generated from uses within the boundaries of the Park, such as state, city and/or federal funding, development rights proceeds (dependent on an inland property owner being willing to purchase such floor area, as well as zoning), private contributions, etc. – are assumed to be needed.

While it is possible that construction work could occur in stages or phases as funds are available, doing so would be less financially efficient than reconstructing the pier at once. Also, load bearing requirements differ for different types of uses, and securing regulatory approvals require certainty of the final footprint of the full pier. For these reasons, the Trust expects to develop a comprehensive approach for redevelopment of the pier.

Hudson River Park faces longer-term challenges meeting the cost of growing maintenance needs that cannot be solved by income generated at Pier 76 alone. Ultimately, the Trust will need Pier 40 to generate additional income too, to ensure ongoing financial self-sufficiency as additional assets age and the cost of park maintenance increases. While the Trust is still implementing improvements funded primarily by the \$100 million air rights transfer in 2016, the pier is in far more stable condition than it was a few years ago. The ballfields and other open space amenities at the pier are heavily used, and the parking garage and other commercial uses generate substantial – though not yet optimal – income for park operations. Thus, while the Trust will need to turn its attention to long-term planning for Pier 40 at some point again in the future, Pier 76 now has more immediate needs.

## **TASK FORCE AND COMMUNITY DISCUSSIONS**

Under this backdrop, the Trust formed the Pier 76 Task Force in the Summer of 2023, restarting pre-pandemic discussions with key stakeholders on Pier 76’s future. The stated goal of the Task Force was to generate actionable ideas for advancing the dual goals of creating significant new, high quality public open space at Pier 76 and generating revenue for contributing to the overall care of Hudson River Park, consistent with the Act.

The Task Force met six times between July and November 2023 to discuss open space and revenue generating opportunities at the pier, engineering and cost assumptions, and Hudson River Park’s long-term projected financial needs. The Task Force effort was facilitated by expert consultants who helped the group explore these topics within both the context of the surrounding public realm and the current economic reality of New York State and New York City. Manhattan Community Board 4’s representatives were invited to present the Board’s Affordable Housing Plan and nearby uses and developments to provide neighborhood context to inform the discussions.



Subsequent to the Task Force process, the Trust made information prepared for the Task Force available through its website, and discussed the process and ideas with its Advisory Council and in public meetings hosted by Manhattan Community Board 4. In March 2024, Community Board 4 adopted a resolution to support amending the Act to allow for a broader range of uses to be considered as part of the future redevelopment of Pier 76, and asked its state elected officials representing Pier 76 to work on legislation to enable their recommendations.

The bills introduced by Senator Hoylman-Sigal and Assembly Member Simone and passed by both houses would broaden the range of permissible commercial uses at Pier 76 beyond those currently authorized under the Act to include commercial office with height limitations; amusement rides and tourist attractions; floating restaurants; and warehouse facilities needed for “blue highway” waterborne transportation. The bills would also permit commercial uses east of the bulkhead and would allow the pier footprint to be modified provided there is no increase in overall pier size. As noted above, the bills would not reduce the Trust’s obligations with respect to creation of public open space on the pier.

If adopted, the legislation would provide the Trust with more flexibility with respect to planning for the future of this important pier. The Trust will eventually need to conduct a competitive procurement process for the revenue-generating portion of the pier.

## UPCOMING CAPITAL MAINTENANCE NEEDS AND PROJECTS

Over the past few years, the Trust's small design and construction staff has devoted substantial time to completing design and construction of the remaining major components of the Master Plan envisioned by the Park's founders and set forth in the Act. Now, with Gansevoort Peninsula, a refurbished Chelsea Waterside Park and Pier 97 opened or mostly opened, and with the Estuarium and the area from West 29<sup>th</sup> Street to West 46<sup>th</sup> Street in design, the pace of various capital maintenance projects is expected to increase.

The Trust considers capital maintenance to be a major repair or replacement of a deteriorated existing capital asset, such as a building roof, pier pile, bulkhead, floating dock, railings, public art and boardwalks, along with recreational assets such as playgrounds, skateparks, dog runs, ball fields and courts. The Fiscal Year 2023-24 budget anticipated \$27 million of spending on capital maintenance across a wide variety of projects; however, only about a third of that spending was achieved, as efforts directed toward new project completion along with the time needed to conduct several key public procurements crowded out some efforts to advance capital maintenance projects.

The Fiscal Year 2024-25 budget allocates \$24.3 million for parkwide capital maintenance inclusive of paving, marine repairs, marine inspections and pedestrian safety improvements, and with largest component slated for continuing upgrades to fire suppression systems at Pier 40. While the last phase of the comprehensive pile jacketing program was completed during the last fiscal year, other capital maintenance projects at Pier 40 are ongoing.

In 2023, the Trust completed a structural inspection of the parking garage in compliance with recently adopted government regulations, and must now complete repairs on conditions identified. Coupled with the continuing sprinkler work, the Trust expects to spend approximately \$20 million on these two categories of repairs alone at Pier 40 over the next two years. Major additional projects, including addressing the roof surrounding the courtyard field at Pier 40, must also be undertaken. At some point in the foreseeable future, the section of the roof above the Trust offices, the last major area of the Pier 40 roof to be repaired, will also need to be replaced.

At this time, approximately 15 percent of the funds remaining from the sale of development rights at Pier 40 has yet to be committed to capital projects. The Trust also expects to have access to \$1 million in HUD funding for lighting and pedestrian safety improvements along Pier 40's exterior walkways. At this time, the Trust expects to have to draw on its capital reserves for the balance of the funding needed for these projects.

Of course, Pier 40 is not the only Park asset needing attention. Over the next few years, the Trust expects to undertake nearly \$40 million in marine and upland repairs. Unless

outside sources of funding such as increasingly scarce State and City capital funding or opportunities for additional sales of development rights materialize, the Trust is likely to fund an ever-growing portion of these costs from operating revenue or retained earnings. The Trust is restricted from selling any additional air rights from Pier 40. Such funds are obviously not limitless, and thus, the Trust has discussed an anticipated funding gap once its reserves are completed. This explains why the Trust must remain focused on finding long-term solutions that generate increased income to be used for Park care inclusive of capital maintenance.

## 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.

Over the last several years, the Trust has worked with environmental partners to plan and install 35 million juvenile oysters on submerged features designed to enrich habitat in Tribeca and north of the Gansevoort Peninsula. The Trust also completed a new salt marsh at Gansevoort, and worked with the Pier 57 redevelopment team to design the “Discovery Tank” – an indoor educational space that the Trust programs for school children and the general public. In Tribeca, the tide pools within the 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 was installed in the area between Pier 25 and Pier 26 in support of science and environmental programming. Dozens of research projects are also under way – initiatives lead by the Trust as well as those by visiting scientists. The Trust also serves tens of thousands of children and adults each year through engaging environmental programming conducted by its River Project team throughout the Park footprint.

While there are no specific restoration projects currently in design, the Trust is conducting multi-year research on the Gansevoort Peninsula salt marsh through a National Oceanic and Atmospheric Administration (NOAA) grant of \$750,000. The Trust has also secured a second grant of \$963,000 from NOAA the for the purpose of planning and launching its next in-water enhancement effort. The Trust will advance these and other Sanctuary initiatives in Fiscal Year 2024-25 in continued fulfillment of its mission.



## 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. This table is presented on the following page.

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.

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.



<b>Table 1: Capital Plan – Sources &amp; Uses for New Park Construction (Major Projects) (\$000,000)</b>										
<b>Use of Funds (Capital Project)</b>	<b>Est. Cost (\$ mil)</b>	<b>FY 2025 Expenditure</b>	<b>NYC Available</b>	<b>NYS Available</b>	<b>Restricted Available</b>	<b>Private Available</b>	<b>Air Rights</b>	<b>HRPT</b>	<b>Not Known</b>	<b>Est. Compl. Date</b>
Pier 26 Estuarium **	\$33.90	\$1.30	\$4.60	\$9.75		\$5.00		\$3.90	\$10.65	TBD (fundraising in process)
Gansevoort Peninsula (incl. marine and buildings)*	\$73.10	\$0.89	\$50.00		\$23.10					2024
W 29 <sup>th</sup> to W 46 <sup>th</sup> (including Habitat Beach)**	\$66.70	\$2.50	\$23.00	\$18.00			\$25.70			2028 (First Phase)
Pier 97 Park (incl. marine platform and building)*	\$46.84	\$2.58		\$40.10			\$6.74			2024
<b>Total</b>	<b>\$220.54</b>	<b>\$7.27</b>	<b>\$77.60</b>	<b>\$67.85</b>	<b>\$23.10</b>	<b>\$5.00</b>	<b>\$32.44</b>	<b>\$3.90</b>	<b>\$10.65</b>	

Note: New Construction Capital Projects marked with asterisk\* are presently under construction, nearing completion and partially opened. Those with asterisk\*\* are presently under planning and/or in design. 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.

**Table 2: Anticipated Capital Spending (New Construction) in FY 2024-25** 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 24-25). The costs in Table 2 are partial costs and are limited to those expected to be incurred in the fiscal year.

<b>Table 2: Anticipated Capital Spending (New Construction) in FY 2024-2025</b>					
<b>Use of Funds (Capital Project)</b>	<b>Est. Total Cost</b>	<b>Full Project Funding Sources</b>	<b>FY 2025 Expenditure</b>	<b>FY 2025 Funding Source</b>	<b>Est. Completion Date</b>
Pier 26 Estuarium**	\$33,900,000	HRPT/NYS/NYC/PRIVATE/TBD	\$1,300,000	HRPT	TBD (fundraising in process)
Gansevoort Peninsula (including marine and building)*	\$73,100,000	NYC/RESTRICTED	\$892,000	NYC/RESTRICTED	2024
W29th to W46th Incl Habitat Beach**	\$66,700,000	NYC/NYS/AIR RIGHTS	\$2,500,000	NYS	2028 (First Phase)
Pier 97 Park (including upland platform and building)*	\$46,840,000	NYS/AIR RIGHTS	\$2,580,000	NYS/AIR RIGHTS	2024
<b>Total</b>	<b>\$220,540,000</b>		<b>\$7,272,000</b>		

Note: New Construction Capital Projects marked with asterisk\* are presently under construction, nearing completion and partially opened. Those with asterisk\*\* are presently under planning and/or in design. 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.

**Table 3: Anticipated Major Capital Maintenance Expenditure** details the amount and sources for FY 24-25 spending on capital maintenance, further designated as Pier 40, Marine, and Upland Park investment.

<b>Table 3: Anticipated Major Capital Maintenance Expenditure FY 2024-2025</b>			
<b>Use of Funds (Capital Maintenance Project)</b>	<b>FY 2025 Expenditure</b>	<b>FY 2025 Funding Source</b>	<b>Est. Completion Date</b>
<b>Pier 40</b>			
P40 Pedestrian Safety Improvements	\$1,000,000	FEDERAL GRANT	2025
Sprinkler and Garage Repairs	\$10,650,000	AIR RIGHTS/HRPT	2026
Building Other	\$950,000	AIR RIGHTS /HRPT	rolling dates
<b>Marine</b>			
Repairs (Select Areas)	\$4,500,000	HRPT	rolling dates
Inspection (Select Areas)	\$959,000	HRPT	rolling dates
<b>Upland Park</b>			
Repair of Park Infrastructure	\$5,150,000	HRPT	rolling dates
Lighting & Electric	\$300,000	HRPT	rolling dates
Paving	\$839,000	HRPT	rolling dates
<b>TOTAL</b>	<b>\$24,348,000</b>		
<p><b>Note:</b> Capital Maintenance Projects are aggregated by type and are a mix of projects under construction, in planning and/or in design. These projects maintain park assets already in service. The Capital Maintenance Program is an ongoing effort to maintain the park in a state of good repair.</p>			