

# HUDSON RIVER PARK TRUST



Hudson River Park



## FINANCING PLAN FY2018

## FEBRUARY 1, 2017

## Introduction

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Eighteen years after its creation in 1998, construction of Hudson River Park (the Park) – occupying a four mile stretch of New York City and State property along Manhattan’s Hudson River edge – is approximately 77% complete or currently in progress. The goal of the Hudson River Park Trust (the Trust) is to fully build out the Park within the next decade. Historically, capital funding to build the Park’s public open space has come principally from a combination of City, State and federal sources, while operating expenses have been covered primarily from self-generated lease, parking, and fee revenue. Moving forward, sources of capital funding for new park construction will need to be more diversified if full build out is to be realized. Similarly, sources of self-generated revenue must expand to meet both: (1) growing expenses stemming from operating a larger park, and (2) the cost of repairs and, when needed, replacements of heavily used park elements.



The Trust estimates that the capital cost to complete the remaining 23% of the Park’s public open space over the next 10 years, and make critical Pier 40 infrastructure repairs necessary to keep this important recreational and revenue-generating asset open, is approximately \$617 million. The Trust has secured funding for approximately 69 percent of this total (\$426 million) from the following sources: private donations, proceeds from the sale of air rights from Pier 40, existing and budgeted City and State appropriations, restricted funds for specific projects, and the public open space construction obligation of the Pier 57 developer. Funding for the remaining 31 percent (\$189 million) has not yet been sourced, but is expected to come from a mix of government and private grants and donations, and potential air rights transactions.

Neither the City nor the State provides direct funding support for the Park’s on-going maintenance and operations. Operationally, the Trust has achieved the legislative goal of financial self-sufficiency by generating adequate revenue from a combination of leases, permits, parking revenue, fees, and annual contributions. In fact, the Park’s self-generated revenue has modestly exceeded its cash outlay for maintenance and operating expenses for the past several years. However, self-generated income has generally not been sufficient to cover both operating expenses and increasing capital maintenance costs. These capital maintenance costs include the periodic reconstruction of existing Park facilities approaching the end of their useful lives, such as heavily used playgrounds and artificial turf ballfields. Today, capital maintenance consumes roughly 30% to 40% of the Trust’s self-generated revenue; yet, this cost category was not fully considered when the Hudson River Park Act (the “Act”) was originally enacted.

While the State and City have recently provided support for several large capital reconstruction projects, the broad capital maintenance category is expected to grow steadily in the future; and the Park needs a sufficient and predictable income stream to meet this challenge. Moreover, when scarce State and City capital budget dollars are diverted to the Park’s urgent capital maintenance needs, available funding for new Park construction becomes constrained.

To address future operating and capital maintenance needs, and also to advance the objective of Park completion, the Trust must secure new long-term revenue-generating leases for Pier 40 and Pier 76. While the Act already designates Pier 40 and Pier 76 as “park/commercial piers,” the Act must be amended to make these two redevelopment projects economically feasible so that they can help support the Trust’s important public goals. Presently, leases under the Act are limited to 30 years, a period that is insufficient for a large privately funded capital investment of the type needed at Pier 40 and Pier 76. Additionally, both for financing purposes and to secure community support, greater flexibility will be needed as to the range of permissible revenue-generating uses, including permitting office as an allowable use. In the case of Pier 76, the existing New York City Police Department (NYPD) tow pound would also need to be relocated in order to make the site available for both Park and commercial use, as intended by the Act.

The 2013 amendment to the Act authorizes the transfer of unused development rights from the Park to sites located one block east “to the extent designated and permitted under local zoning ordinances.” Based on the carefully worded legislation, a local zoning action is required for each transfer of development rights from Park property. Thus, the Trust does not have a transferrable air rights interest, or a mechanism to effectuate a development rights transfer, without prior City approval in each instance. Still, achieving Park completion and full self-sufficiency does entail selling unused development rights. Proceeds from the \$100 million sale of development rights from the recently approved St. John’s Terminal Project will be used to stabilize the deteriorated piles at Pier 40 – a long standing goal of the Trust, the local community, the City and the State. Future development rights sales could help fund both new Park construction, particularly in Manhattan Community Board 4, and address future capital maintenance costs through the establishment of an endowment or special reserve fund.

The construction and operation of Hudson River 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. Completing the Park will expand high-quality public open space for all New Yorkers, support the growth local job opportunities, and continue catalyzing private investment in adjoining neighborhoods.

## Capital Budget Support from Governmental Sources

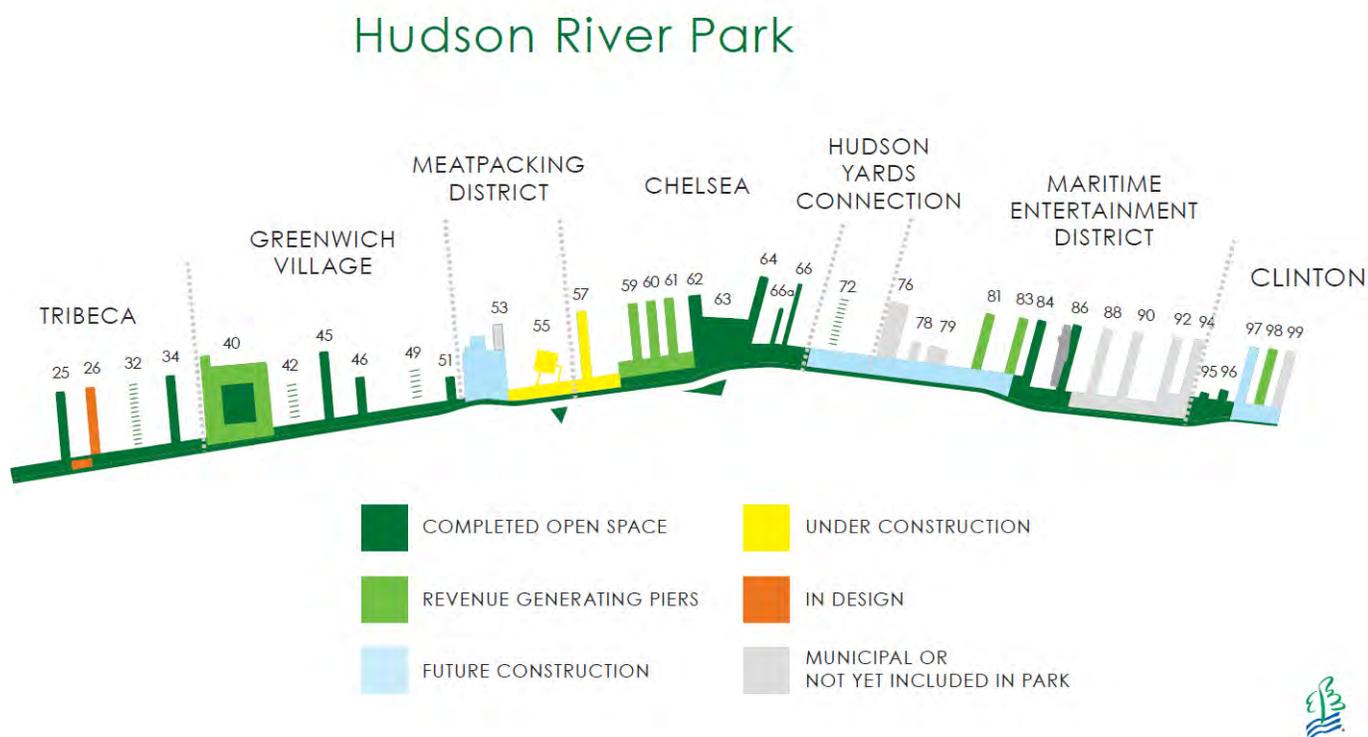
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The Park has benefited greatly from capital budget funding from both the City and State. From the time the Trust was created in 1998 to the beginning of the current fiscal year, the City and State have appropriated and directed approximately \$434 million to the Park. Additional City funds have been made available for specific projects, including a number of capital repair and replacement projects, through the generosity of City Council members, the Borough President of Manhattan and additional State funds have been made available through New York State Assembly Member. In the upcoming fiscal year, the State has budgeted, subject to appropriation, an additional \$3.8 million; the City has budgeted, over a three year period, an additional \$14.1 million for Pier 40 infrastructure repairs.

To date, over \$100 million of federal funds for new Park construction have been received from the Lower Manhattan Development Corporation (LMDC), the US Department of Housing and Urban Development, and the US Department of Transportation. Most of these federal funds have been used for improvements to the Tribeca section of the Park and for the reconstruction of Pier 86 where the Intrepid is berthed. Recently, LMDC approved an additional \$10 million in funding to help complete the Pier 26 park finishes. The Trust will continue to pursue grants and other public funding opportunities to advance the completion of the Park.

## Park Completion Goal

The Trust's goal is to complete construction of the entire Park, including the two remaining park/commercial piers (Pier 40 and Pier 76), over the next 10 years. As shown in the diagram below, the largest Park sections yet to be completed include the reconstruction of new public open space in Tribeca (Pier 26 and the associated upland area, including the "estuarium"), Greenwich Village (Pier 40), Meatpacking District (Gansevoort Peninsula and Pier 54/55), Hudson Yards (upland area near Pier 72), the Maritime Entertainment District (Pier 76 and the upland area from Pier 79 to Pier 84), and Clinton (Pier 97 and to the north). At Pier 40 and Pier 76, the piers must also be redeveloped with new revenue-generating uses to help provide long term funding for the maintenance and operation of the overall park.



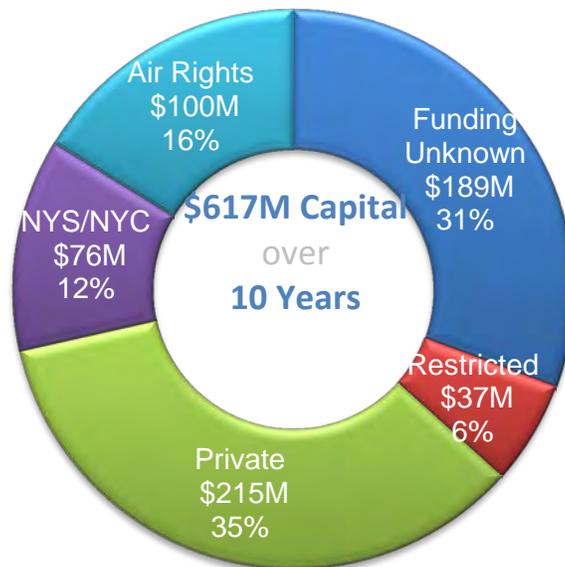
## Ten-Year Capital Plan

The Trust estimates that the total cost to complete the Park over the next 10 years is approximately \$617 million. This figure includes making critical infrastructure repairs at Pier 40 over the next several years, but excludes the costs of open space creation and public improvements associated with the permanent redevelopment of Pier 40 and Pier 76 as these elements have not yet been conceptually designed. At both Pier 40 and Pier 76, the Act prescribes that areas equal to at least half of the pier footprints be dedicated for public open space. Central to the redevelopment of Pier 40 is the reconstruction of heavily used sports fields.

As shown in the chart and sources & uses table below, the Trust has secured funding for approximately 69 percent (\$428 million) of the projected Park build-out cost under the Ten-Year Capital Plan. This includes approximately \$215 million from private sources, \$100 from another private source for the purchase of air rights dedicated to Pier 40 pile repairs, \$76 million from City and State appropriations, and \$37 million from previously secured restricted funds (most of it for use at Gansevoort Peninsula). Potential sources of funding for the remaining 31 percent (\$189 million) needed for Park build-out have not yet been identified, but potentially could include a mix of government and private grants and proceeds from future air rights transactions.

The most significant committed private source of funds, up to \$185 million, is from the philanthropic private donor for the Pier 54 (now called “Pier 55”) project. In addition, Citigroup is making a philanthropic donation of \$10 million toward the completion of the Pier 26 park finishes. The private developer of Pier 57 is paying approximately \$14.8 million for the creation of 3.1 acres of new public open space.

## Funding Sources for Ten Year Capital Plan



The chart below identifies the elements of Hudson River Park that are still incomplete, and identifies, for each, the estimated construction cost and, where known, sources of funding. As noted in the Strategic Plan section below, several of the capital projects are funded and currently underway.

TEN YEAR CAPITAL PLAN - SOURCES & USES NEW PARK CONSTRUCTION AND PIER 40 INFRASTRUCTURE*							
Use of Funds (Capital Project)	Estimated Cost (millions)	Source(s) of Funds (millions)					Source Unknown
		NYC Available	NYS Available	Restricted Available	Private Available	Air Rights Available	
Pier 26 Park	\$30.0	\$10.0		\$10.0	\$10.0		
Pier 26 Estuarium	\$40.0		\$10.1				\$29.9
Pier 40 Infrastructure	\$121.6	\$14.1	\$2.0		\$5.5	\$100.0	
Gansevoort Park	\$50.8			\$23.1			\$27.7
Gansevoort Park Building	\$12.0						\$12.0
Marine Portion of Gansevoort	\$10.2						\$10.2
Pier 54 Connector	\$22.5	\$1.5	\$18.0	\$3.0			
Pier 55 (HRPT Portion)	\$20.2	\$15.5	\$4.2	\$0.5			
Pier 55 (Donor Portion)	\$185.0				\$185.0		
Pier 57 Open Space	\$14.8				\$14.8		
W29th to W35th Upland Park	\$37.4						\$37.4
Pier 79 to Pier 84 Upland Park	\$27.9						\$27.9
42nd St Gateway Art Element	\$1.7						\$1.7
Pier 97 & Upland Park	\$28.8						\$28.8
Pier 97 Park Building	\$9.6						\$9.6
Riverside Connector Marine	\$1.3		\$0.2				\$1.0
Riverside Connector Upland	\$2.7		\$0.4				\$2.3
<b>TOTALS</b>	<b>\$616.5</b>	<b>\$41.1</b>	<b>\$34.9</b>	<b>\$36.6</b>	<b>\$215.3</b>	<b>\$100.0</b>	<b>\$188.5</b>
<b>Percentage Distribution</b>	<b>100%</b>	<b>7%</b>	<b>6%</b>	<b>6%</b>	<b>35%</b>	<b>16%</b>	<b>31%</b>
<p>* <b>Note:</b> Where designs for capital projects have not yet been prepared, cost estimates are preliminary and based on previous construction in Hudson River Park, adjusted for inflation. Preliminary costs have not yet been estimated for public space creation and improvements at Pier 40 and Pier 76 as conceptual plans and programming for those areas have yet to be developed; potential infrastructure costs for the pile-supported Pier 76 have not yet been analyzed or estimates prepared. Many 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.</p>							

As depicted above, funding for approximately 31 percent (\$189 million) of the Ten-Year Capital Plan is yet to be determined. The Trust is actively pursuing government and private sources, and additional air rights transactions, to fill this funding gap.

## Strategic Plan for Completion of the Ten Year Capital Plan

The capital projects below are listed from south to north and include projects that are currently underway and/or partially complete. Many, such as Pier 40, require multiple steps for full implementation.

### 1. Pier 26 Park & Upland Estuarium | North Moore & Hubert St | Tribeca

**Background:** In 2006, the Lower Manhattan Development Corporation contributed \$70 million towards the build-out of the Tribeca section of the Park. Additional federal funding (obtained by Congressman Jerrold Nadler), as well as allocations from the City and State, enabled the Trust to complete Pier 25, upland park areas to the north and south, and a boathouse and restaurant building at the foot of Pier 26.



In 2016, the Trust secured a \$10 million appropriation from the City, a \$10 million commitment from the Lower Manhattan Development Corporation, and \$10 million as a donation from Citigroup (\$30 million in total) to fund the design and completion of the Pier 26 park finishes, significantly advancing the Trust's completion goal for the Tribeca portion of the Park.

Plans for the Tribeca park section have always included an "estuarium" – a river research and education facility identified in the Act. The estuarium will be operated by Clarkson University, in association with the Trust and several participating not-for-profits. The consortium of operators was selected pursuant to a Request for Expressions of Interest. The Trust has secured approximately \$10.1 million towards the cost of constructing the estuarium, with \$5 million of this amount from the Port Authority of NY/NJ and the balance from the NYS Department of Environmental Conservation and NYS Department of State.



**Funding Needs:** The Pier 26 park pier finishes are now fully funded. The Trust will look to Clarkson University to help raise the estimated \$30 million needed to complete the estuarium through grants and donations. The Trust expects that the estuarium, once complete, will be financially self-sustaining and not require operating support from the Trust.

**Development Plan:** Design of the pier and upland areas has begun. The Trust expects to complete construction of Pier 26 in 2019, excluding the estuarium. Design of the estuarium could commence in FY2018 with construction in the following year.

**Benefits:** The completed Pier 25 is one of the most heavily used public resources in the Park. The Trust expects that Pier 26 will similarly provide substantial open space benefits to the growing Tribeca

residential community. Given its location, the estuarium has enormous potential to serve children from across New York City and the entire region, as well as young adults and regular park users. It will educate about the environment, climate change, and other important STEM topics.

## 2. Pier 40 Infrastructure & Redevelopment | Houston St | West Village

Background: Pier 40 is the largest property in the Park and home to athletic fields, administrative and operating facilities of the Trust, a commercial parking garage, and commercial excursion vessels. Parking and other revenue generated at Pier 40 nets the Trust approximately \$5.9 million annually, but this is before consideration of growing capital maintenance costs for this deteriorated structure. Historically, Pier 40 generated approximately 40% of the Park's income, but that revenue share has declined as a result of Pier 40's poor condition, a legacy of deferred maintenance prior to the Park's creation, and income growth from other locations within the Park. Today, net operating income from Pier 40 accounts for approximately 25% of the Trust's operating budget. However, when the full Pier 40 capital maintenance costs are taken into account, the overall benefit to Trust's operating budget is severely reduced.



In March 2015, an independent engineering firm estimated the cost of Pier 40 pile repairs at \$104.6 million. A City Uniform Land Use Review Procedure (ULURP) process was recently completed that allowed the Trust to transfer 200,000 square feet of unused development rights from Pier 40 to the St. John's Terminal Building site. The Trust entered into a \$100 million sales contract with the St. John's developer and the proceeds from that agreement will be devoted to pile repair. An additional \$14.1 million has been made available by the City to address other Pier 40 building infrastructure deficiencies over the next three years. This additional City funding will help sustain existing recreational and revenue generating uses until private redevelopment can be initiated as intended under the Act.



Funding Needs: The Trust's will apply the proceeds from the air rights sale to repair the piles supporting the pier. The City has provided supplemental funding to address other emergent building infrastructure needs for a 3-year period during which a long-term private redevelopment plan can be set in motion.

Development Plan: As a designated "park/commercial" pier under the Act, Pier 40 is intended to be developed privately. Prior plans to rehabilitate Pier 40 considered through two separate RFP processes were abandoned due to a combination of restrictions on permissible uses, a short lease term and community concerns. The Trust will work with the City, State and local community and elected officials to:

- Identify a viable development and use program that can achieve community support.
- Secure a legislative change to allow for a longer lease term necessary to privately finance the cost of capital construction, and expanded permissible occupancies, including office, to address concerns regarding the intensity of use.
- Issue an RFP.
- Select a developer.
- Advance a business negotiation, Environmental Impact Statement (EIS) and ULURP to address complex business, environmental and zoning issues.
- Execute a lease to start realizing rental income to support Park operations while also requiring the rehabilitation of public ballfields and other public recreation spaces.

Benefits: The Trust assumes that that a future developer would be responsible for the capital cost to permanently reconstruct the public ballfields and complete the upland park section east of Pier 40's bulkhead. In accordance with the Act, upon completion of redevelopment at least half of the pier footprint must be devoted to public open space use, including ballfields.

### **3. Gansevoort Peninsula | Horatio-Bloomfield St | Meatpacking District**

Background: The City is currently demolishing a former sanitation facility at the Gansevoort Peninsula in order to comply with the Act, at which time the property will be turned over to the Trust for park construction. The City estimates it will complete its work by the end of calendar year 2017. The City's Department of Sanitation may then elect to build a new marine transfer station (MTS) at the western edge of the peninsula. Among other Act requirements, construction of the MTS would be subject to an MOU between the City and State that would require each to provide funding for the Park construction.

Funding Needs: The Trust has \$23.1 million in dedicated settlement funds from previous third-party litigation against the City related to Gansevoort's sanitation use; such funds can only be used for park construction at Gansevoort. The Trust has not yet identified a source for completing the unfunded balance of the Gansevoort park construction cost. The unfunded costs for build-out of the park at the Gansevoort Peninsula are estimated at \$40 million, with an additional \$10 million estimated for a park maintenance/public restroom building.

Development Plan: The Trust's ability to advance a final design for new park construction has been delayed by the uncertainty surrounding the future MTS. Should the MTS proceed, an amendment to the Act may be required to provide greater design flexibility with respect to the roadway for Department of Sanitation trucks to access the MTS. HRPT's development of this portion of the Park assumes:

- A decision as to whether or not the City will proceed with an MTS at Gansevoort.
- When the City makes a decision about MTS, HRPT will advance design with construction commencing thereafter.

Benefits: At 5.6 acres, the Gansevoort Peninsula will become one of the Park's largest recreational spaces.

#### 4. Pier 55 | W 14th St | Meatpacking District

In November 2014, the Trust and Barry Diller/Diane von Furstenberg announced a plan to replace the dilapidated Pier 54 with a new pier combining public park and performance space to be named Pier 55. The cost is estimated at \$200 million, of which the donor will fund up to \$185 million. Supplemental funding is to come from the City, the State, and restricted funds previously received by the Trust. Additional funding from Diller/von Furstenberg will provide continued operating and programming support.



The commitments regarding Pier 55 have been set forth in a 20-year lease with a newly formed non-profit, Pier55, Inc., which will undertake and pay for most construction and operating costs associated with the new Park pier. Barry Diller has signed a pledge agreement under which he will provide operating funds to the non-profit for maintenance. Construction of the 2.7-acre Park pier has commenced.

#### 5. Pier 54 Connector | W 14th St | Meatpacking District

This separate project consists of an expansion of the public esplanade adjacent to the new Pier 55 and related transportation improvements that will run from Bloomfield Street to 14<sup>th</sup> Street where it will link to the newly constructed Pier 57 public esplanade (see below). Construction is currently well underway. Approximately 24,300 square feet of new public open space will be created. An associated cross-walk project, located on City and State property to the west, is currently being designed by the State Department of Transportation with funding support from the City.

#### 6. Pier 57 | W 15th St | Meatpacking District/Chelsea

A private developer, RXR/Youngwoo & Associates, has begun rehabilitating historic Pier 57 into a hub for office, cultural, recreational and public market activities. The approximately \$350 million project will encompass approximately 480,000 square feet of rentable space and the creation of 3.1 acres of public open space. Google, the project's anchor office tenant, signed a 15-year sublease with RXR/Youngwoo & Associates to occupy 250,000 square feet of office space.

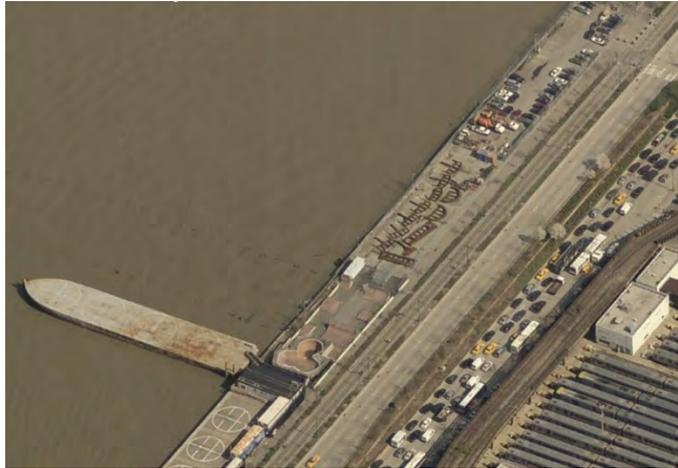


## 7. Pier 57 Open Space | W 15th St | Meatpacking District/Chelsea

The developer of the Pier 57 project is currently constructing a new publicly accessible roof-top park, perimeter walkway and overwater platform esplanade in conjunction with its private development. This approximately 3.1 acre public open space component of the project will be fully funded by the private developer at an estimated cost of \$14.8 million.

## 8. Upland Park | W 29<sup>th</sup>-35<sup>th</sup> St | Hudson Yards

Background: As new residential buildings come on line on the far west side of Manhattan, this portion of the Park will serve the rapidly developing Hudson Yards neighborhood. Moreover, this section is in close proximity to the No. 7 train expansion, making this area of the Park more easily accessible to residents of Queens as well as Manhattan. The development of this area is a priority for Community Board 4.



Funding Needs: Air rights sales are anticipated to finance most of the build-out of this section of the Park, estimated at \$37 million, unless alternative sources can be identified.

Development Plan: The Trust's ability to move forward with this project area depends on the following actions:

- The Trust selling additional air rights and/or identifying alternative sources of funds for the Park improvements.
- The City and the State making decisions about the future location of the West 30<sup>th</sup> Street heliport, as relocation may be necessary prior to commencing improvements to that section of the Park. Provided that funds are available, and a determination is made regarding the future heliport location, design could begin soon thereafter with construction to follow. In addition, construction of the new Gateway Tunnel project for Amtrak and New Jersey Transit may affect the timing of Park construction in the West 30<sup>th</sup> Street area.

Benefit: The area opposite Hudson Yards is among the least improved in the entire Park; an upgrade from existing conditions would provide immediate benefit to Park patrons and the neighboring community. An additional 2.3 acres of public open space would be created.

## 9. Pier 76 | W 34th St

Background: Pier 76 currently serves as an NYPD tow pound. Under the Act, the City is required to use "best efforts" to relocate the tow pound so that the pier can be made available for park development. Upon the completion of development, the Act requires that at least 50% of the Pier 76 footprint be devoted to public park use, while the balance may be used for commercial purposes permitted under the Act. Pier 76 measures approximately 245,865 square feet, with an additional

55,350 square feet of upland area; the total area available for parkland is approximately 178,282 square feet (4 acres). Pier 76 presents an important opportunity for the Trust to create both new parkland and a new source of revenue to support on-going Park operations and maintenance costs.



Funding Needs: At the present time, the Trust believes that an RFP would require a private developer to be responsible for all capital costs except, potentially, those for public open space and new park building. However, this division of responsibility is yet to be determined.

Development Plan: The Trust projects that all development rights generated by the pier footprint would be used on-site. The planned redevelopment of Pier 76 depends on the following actions:

- The City identifies and commences development of an alternate tow pound facility.
  - The Trust and/or the City undertakes an inspection and structural analysis of the existing Pier 76 piles.
  - As with Pier 40, the Trust’s plan is to first work in cooperation with the local community and elected officials to develop a use program and then issue an RFP. The private developer would be selected under the RFP to build the commercial, and perhaps public, portions of the pier once the tow pound relocation site and schedule is known.
  - The Trust assumes that EIS, ULURP and business negotiations take place over a three year period.
- Benefit: Removing the tow pound from this part of the waterfront will add enormous value to the Park by providing a new publicly accessible open space resource with expansive views to the Hudson River. The commercial portion of the pier will be a source of operating revenue essential to making the Park fully self-sufficient.

#### 10. Pier 79 to Pier 84 Upland Park | W 39<sup>th</sup>- 44th St

Background: The project area centers at the foot of 42<sup>nd</sup> Street and is one of the Park’s busiest sections, receiving an estimated 4.2 million visitors per year. The area includes numerous tourist and commuter oriented commercial activities such as the Pier 79 ferry terminal, Circle-Line tours, World Yacht cruises, the Intrepid Sea, Air and Space Museum, and the City’s Passenger Ship Terminal at its northern end.



Development Plan: An improved waterside esplanade is needed to link the various activity nodes in this area of the Park. The project area measures approximately 102,149 square feet, and its construction cost is estimated on a preliminary basis at \$27.9 million.

The Trust has long planned for a signature gateway art element to be located at the 42<sup>nd</sup> Street entrance to provide a visual link between the Park and this important crosstown Manhattan corridor. The Ten Year Capital Plan has a place holder cost estimate of \$1.7 million, potentially to be funded through a grant or donation.

Funding Need: The Trust has not yet identified a funding source, though it has sought public grants in the past. Given the concentration of tourist and commuter activities located in this portion of the Park, a transportation or economic development grant would seem viable.

Benefits: Improvements would serve millions of tourists annually and also reduce the current traffic conflicts between cyclists, pedestrians, public buses, taxis and private vehicles entering the area.

## 11. Pier 97 Upland Park & Park Building | W 57th St

Background: The Park's northernmost public open pier, Pier 97, is slated to become a public recreation space that will serve the expanding residential neighborhood of West Clinton. The Trust has completed the piles and structural deck of the pier using third party settlement funds available through the City and Friends of Hudson River Park; however the pier finishes remain incomplete and unfunded.



The pier itself measures approximately 79,620 square feet, and the upland approximately 25,954 square feet, bringing the total unbuilt park area to 105,574 square feet. A small building will be required to serve as a utility hub for park uses in this zone.

Funding Need: The Trust estimates the capital needed to complete the pier and upland park at approximately \$28.8 million, and the small park building at approximately \$9.5 million

Development Plan: As part of the Ten Year Capital Plan, the Trust assumes the following actions:

- Air rights sales or public sources would fund construction unless an alternative private source is identified.
- At present, design of the final park could advance but without necessary funds to construct.

Benefit: Significant residential development is taking place in just north and east of Pier 97, and there are already two industrial/municipal piers located directly north. The pier is an important geographic link between the Upper West Side/Riverside South Community and the rapidly expanding West Midtown community.

## 12. Riverside Connector Marine Portion & Upland Park | W 57<sup>th</sup>-59<sup>th</sup> St | Clinton

**Background:** At the northernmost edge of the Park, plans call for a modest new over-water pedestrian platform and related upland park construction to improve circulation and safety between West 57<sup>th</sup> and West 58<sup>th</sup> Streets. The existing area is too narrow to accommodate both a full width bikeway and esplanade and must therefore be widened.

**Funding Needs:** The Trust has sufficient funding commitments from the State for design, which will progress in fiscal year 2018. Construction is estimated to cost an estimated \$3.3 million.

**Benefits:** Approximately 16,900 square feet of new public open space will be created, the physical connection to Riverside Park will be strengthened, and transportation safety for pedestrians and cyclists will be significantly improved.

### Additional Information

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#### Public Benefits

The revitalization of Hudson River Park has improved the quality of life on Manhattan's west side, helped spur the boom of families living downtown, promoted tourism, and catalyzed economic development in surrounding neighborhoods. The Park's economic impact to City includes:<sup>1</sup>

- From 2000 to 2015, public and private investments and expenditures totaling \$720 million in the Park have secured more than \$1.121 billion in indirect economic benefits for the City and \$1.425 billion for the State.
- The Hudson River Park neighborhood's growth represents more than a quarter of all new development in Manhattan built from 2000 to 2014, or approximately 41 million square feet, split among mixed use (17 million square feet), commercial (15 million square feet), and residential (7.5 million square feet).
- Roughly \$8 billion in new construction has occurred within a quarter mile of the Park between 2000 and 2014; this 14-year growth span contributed a fifth of the area's overall property value.
- Since 2000, property tax contributions within the Park neighborhoods, totaling nearly \$1 billion, are growing 9% faster than in the area below 59th St and 28% faster than Manhattan as a whole.
- As of 2012, the Park was already attracting 17 million visits annually. Nearly half of the total visits came from outside Manhattan – and around a third from outside New York City entirely, generating millions in visitor spending annually.
- From 2000 to 2014 the Park neighborhoods grew in every population category with a 66% growth in youth and 112% growth in seniors (during that same time the youth population in Manhattan decreased by 10%).

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<sup>1</sup> Based on report titled "Realizing the Benefits of Hudson River Park," released by Regional Plan Association in April 2016 and commissioned by Friends of Hudson River Park. A copy may be found here: [https://www.hudsonriverpark.org/assets/content/general/03.30.2016\\_FoHRP-RPA-Realizing-the-Benefits-of-Hudson-River-Park.pdf](https://www.hudsonriverpark.org/assets/content/general/03.30.2016_FoHRP-RPA-Realizing-the-Benefits-of-Hudson-River-Park.pdf)

Because the Park's mandate under the Act is broader than creating and operating park space, the Trust also provides other benefits to New York City. For example, the Act designates the entire 400 acres of Park waters as an "Estuarine Sanctuary" where research, stewardship and education should occur, in addition to public access. Accordingly, the Trust operates a robust environmental education program providing free and low cost environmental education programs for school groups, summer camps and the general public. In 2016, the Trust hosted over 400 such programs serving 28,000 people. Over half of the student groups live in the outer boroughs of New York City, with 36% coming from the Bronx, 14% from Brooklyn, and 10% coming from Queens, and 80% of the children were enrolled in NYC Department of Education free/reduced meal programs.

## **Governance**

As provided in the Act, Hudson River Park is a joint venture between the City and State of New York, with a unique operating framework relative to other City parks. The Act also created the Trust as a New York State public benefit corporation mandated to design, construct, operate and maintain the Park. The Trust is governed by a 13-member board: five members appointed by the governor, five members appointed by the mayor and three members appointed by the Manhattan borough president. The Act specifies that actions requiring a vote of the board require the affirmative vote of eight members in order to pass. As a public benefit and 501(c)3 corporation, the Trust is exempt from City, State and federal income, franchise, and sales taxes.