



## Hudson River Park Trust

June 30, 2016

Pursuant to Section 2896 (3) of the New York Public Authorities Law, the Hudson River Park Trust reports that:

- (a) pursuant to Hudson River Park Act Section 7.3, the Hudson River Park Trust does not own any real property: it is the lessee under long term leases from each of the State and City of New York, respectively, demising all of the real property constituting Hudson River Park; and
- (b) the Hudson River Park Trust (the “Trust”) disposed of the following real property in Fiscal Year 2015-2016:

1. City Winery

Action: Lease

Transaction Date: February 5, 2016

Purchase/Sale Price:

Tenant City Winery LLC (“Tenant”) will pay the Trust a Fixed Minimum Rent of \$225,000 in the first Lease Year, with yearly escalations to an annualized \$358,216 in the final Lease Year of the ten-year initial term. The actual Fixed Minimum Rent payable in the 10th partial year (comprised of 8 months) will be \$268,662. If Tenant elects to renew its leasehold for one additional five-year renewal term, it will pay a Fixed Minimum Rent of \$394,037 in the first renewal term year, with annual escalations to \$443,492 in the final renewal term year. In addition, Tenant will pay the Trust a Percentage Rent in the amount of 5% of Tenant’s gross revenue in excess of \$4,000,000 for each year, as applicable

Property Address:

Pier 26, Hudson River Park, located on West Street, between North Moore Street and Hubert Street in Manhattan, New York

Description:

The Lease has an initial term of 10 years, with an option to extend for a single five-year renewal term. Under the Lease, Tenant will operate a restaurant facility in a portion of the Pier 26 restaurant/boathouse building in Hudson River Park, located on West Street, between North Moore Street and Hubert Street in Manhattan (the "Building"). The leased premises includes restaurant interior, kitchen, and storage spaces, rooftop seating, designated exterior terrace areas directly adjacent to the Building, and a trash room situated within the nearby Pier 26 utility building (the "Premises"). The Lease requires Tenant to spend not less than one million one hundred thousand dollars (\$1,100,000) to design, build-out and fixture the Pier 26 restaurant.

2. Pier 57

Action: Ground Lease

Transaction Date: March 31, 2016

Purchase/Sale Price

The Lease identifies a total of five types of rent: construction period rent, base rent, in-water areas rent if Super P57 LLC ("Tenant") exercises the in-water option(s), participation rent, and payments in lieu of taxes ("PILOT").

The net present value of rent (excluding PILOT) received under the Lease for the property is estimated to be \$71 million as established by appraisal.

The net present value of PILOT, a type of rent under the Lease for the property and retained by the Trust, is estimated to be \$134 million as established by appraisal.

The construction value of new open space provided by Tenant for use by the public that forms part of the consideration under the Lease is approximately \$14.8 million, as established by cost estimate review. The replacement cost for Park bulkhead not situated within, or fronting on, the Premises, and for which Tenant assumes responsibility under the Lease, is approximately \$11.4 million as established by engineer's estimate.

## Property Address

Pier 57 at 15<sup>th</sup> Street, Hudson River Park, Manhattan, New York

## Description

The Lease is for an initial term of sixty (60) years with two options to extend, the first by twenty (20) years and the second by seventeen (17) years, for a total term with extensions of ninety-seven (97) years.

The Lease premises (the “Premises”) consist of the historic Pier 57 pier structure, building, and certain adjacent in-water areas, and includes temporary and permanent easements associated with the construction, operation and ongoing care of the Pier 57 building and a portion of the public perimeter walkway surrounding the pier, new pile supported public esplanades to the north and south of the Pier 57 building, and driveways, pedestrian walkways, and other areas to the east, north and south of the Pier 57 building. The Premises may also include certain additional in-water areas to the north and south of Pier 57 upon Tenant’s exercise of its option(s) within a 10 year period from commencement of the Lease.

The Lease provides for the redevelopment of Pier 57 generally as a mixed use facility with office, retail and public open space, among other uses in a manner that preserves the historic character of the pier and the building.

Under the Lease, in addition to the construction, maintenance, repair and operation of office, retail and other components of the Pier 57 property, Tenant agrees to undertake (x) certain obligations, the performance and cost of which would otherwise be the responsibility of the Trust, including but not limited to (i) the construction, repair, maintenance and operation of new public open space, including new pile supported public waterfront esplanades, and (ii) the maintenance and repair of bulkheads and certain other park infrastructure, and (y) the construction, maintenance, repair and operation of new rooftop park space as an additional public benefit.