

August 24, 2016

Pier 40 Significant Action Public Hearing @ DCP Statement

Good morning. My name is Madelyn Wils and I am the President and CEO of the Hudson River Park Trust. Also with me this morning from the Trust's Board is Pam Frederick, along with members of our senior staff.

On behalf of the Trust, I wish to extend our appreciation to City Planning for agreeing to host this joint hearing with the additional logistics it entails. Most especially, we would like to extend our gratitude to DCP for advancing the proposal to establish the Special Hudson River Park District and enable the transfer of floor area within the District pursuant to a proposed Special Permit.

The Trust is a New York State public benefit corporation created by statute – the Hudson River Park Act - to design, build and operate Hudson River Park, which includes Pier 40. Under the Act, Pier 40, the park's largest pier and the only commercial pier south of 15th St, is expected to generate significant income to help support the Park. The Act also mandates that at least 50% of the equivalent of its footprint be passive and active public open space, and as you have heard, Pier 40 contains ball fields that are heavily used by the entire Westside community. Unfortunately, the Trust has received an independent engineering report stating that the majority of the 3,463 steel support piles are in poor structural condition and require urgent repair.

There have been two previous failed attempts to redevelop Pier 40; cost of pile repair, use restrictions, and a too-short lease term have proved to be insurmountable hurdles to economically viable development.

Pursuant to a 2013 amendment to the Act, the Trust is authorized: "to transfer by sale any unused development rights as may be available for transfer to properties located up to one

block east of the boundaries of the [P]ark along the west side of Manhattan, if and to the extent designated and permitted under local zoning ordinances.” The Act also requires that if any air rights are transferred from Pier 40, revenues from such sale must be used in the first instance for the repair of Pier 40 infrastructure.

Prior to ULURP certification, an independent appraisal of 200,000 sq. ft. of development rights to be transferred from Pier 40 to 550 Washington Street were valued at \$76 million. The Trust and the developer negotiated a fee of \$100 million to purchase the air rights.

The Trust’s letter of May 3 to the City Planning Commission identifies the infrastructure improvements needed at Pier 40, and confirms the sufficiency of funding to complete such identified improvements. The pile repairs will allow the pier to retain sufficient structural capacity to support public assembly and allow the pier to remain open for its current uses. In their recommendations, Community Board 2 and the Borough President request that the Trust be prohibited from selling any additional air rights within Community Board 2 if the current proposals are approved. HRPT has publicly stated that its preference is to use the remaining FAR at Pier 40 as part of a future redevelopment of this pier, but that we will need to secure an amendment to the Act to allow both a longer lease term and a broader range of permissible uses, similar to what occurred at Pier 57, before we can responsibly make this commitment. We have also pledged to work with elected officials and Community Board 2 on parameters for a redevelopment plan that uses the remaining development rights at Pier 40.

After conclusion of the Trust’s significant action period and evaluation of public comments by the Trust staff and the Board, and subject further to the successful conclusion of the ULURP process, the Trust’s Board will vote on the proposed Purchase and Sale Agreement

between the Trust and the developer of 550 Washington Street. If the Board approves, the Purchase and Sale Agreement would then be executed and upon closing, all of the \$100 million dollar proceeds, paid over 4 years, would be used at Pier 40 for sorely needed infrastructure improvements.

Thank you again on behalf of the Trust.