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## COMMUNITY BOARD NO. 2, MANHATTAN

3 WASHINGTON SQUARE VILLAGE

NEW YORK, NY 10012-1899

www.cb2manhattan.org

P: 212-979-2272 F: 212-254-5102 E: info@cb2manhattan.org

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### PARKS & WATERFRONT COMMITTEE

May 5, 2021

The Parks & Waterfront Committee of Community Board #2, Manhattan, held its monthly meeting on Wednesday, May 5, 2021 at 6:30 via Zoom conferencing.

The meeting covered one topic: Initial conversation (not a scoping session) to discuss the potential to re-develop the southern half of the water tunnel site on Hudson Street working with and funded by Hudson Square Business Improvement District, Parks Department, Department of Environmental Protection and local elected officials.

**Board Members Present:** Rich Caccappolo (Chair); Susanna Aaron (Vice Chair); Coral Dawson; Matthew Metzger; Shirley Secunda; Kristin Shea; Georgia Silvera Seamans

**Public Members Present:** Elizabeth Gilmore; Sharon Woolums

**Other Board Members Present:** Jeannine Kiely (CB2 Chair), Carter Booth, Katy Bordonaro, Patricia Laraia, Dan Miller, Brian Pape, Donna Raftery

**Board Members Absent with Notice:**

**Public Members Absent with Notice:** Nancy Brous

In total, approximately 53 people attended the meeting including community members, and representatives of elected officials, the NYC Department of Parks & Recreation and the Hudson Square BID.

### MINUTES

Discussion of the potential to re-develop the southern half of the water tunnel site, Shaft Site 28b, at 388 Hudson Street:

**Water Tunnel History.** Board Chair and former committee member, Jeannine Kiely, presented the history and status of the four City Water Tunnel #3 sites in CB2, one which is adjacent to Seravalli Playground, two of which (one on East 4<sup>th</sup> at Bowery, one at Grand & Lafayette) have been designed and are soon to be constructed as parks and the focus of this meeting, and one at 388 Hudson, named Shaft Site 28b. The size and budget for the two designed water tunnel parks are 0.29 acres, \$1.27M for East 4<sup>th</sup> at Bowery and 0.22 acres, \$1.69M for Grand & Lafayette.



The water tunnel project, led by the NYC Department of Environmental Protection (DEP), was started over 50 years ago. It is the largest capital construction project in NYC history with a budget of over \$6B. Work on tunnel #3 (yellow lines in image) began in the 1990s and first became operational in 1993, providing critical redundancy to City Water Tunnels #1 and #2. Over 20 years ago, as documented in 1998 letters from the DEP to the NYC Department of Parks and Recreation (DPR) and to CB2 Manhattan, DEP pledged that the water tunnel construction sites would be returned to the community when the project was completed with certain restrictions on its development so as to allow DEP 24/7 access to the water tunnel below for maintenance and repairs. From that 1998 letter from the DEP to CB2:

free of dirt. At the end of construction, the contractor shall leave the site and other areas affected by this operation in a neat and satisfactory condition and will do grading and paving as required.

**Site After Construction:**

After completion of the Manhattan South Tunnel and Shafts, the site will be returned to a condition equivalent to its original condition (or to an agreed upon state); except for two relatively small hatchways (approx. 5' x 3') and a 10 foot high air vent (approx. 14" in diameter) for the distribution chamber; no part of the shaft or chamber will be visible from the surface. The hatchways may be opened once a month for inspection of the chamber.

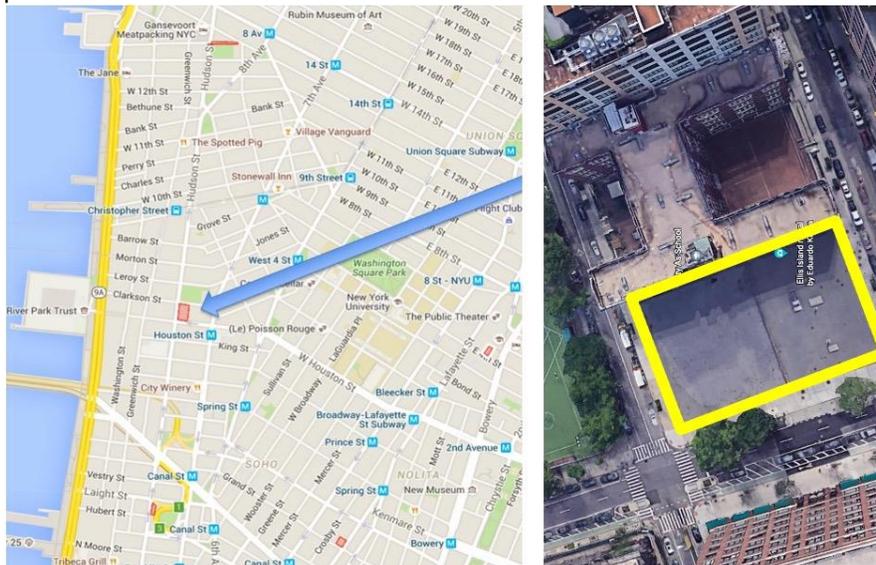
If there is no previous agreement, the site will then be returned to DCAS, except for the permanent easement area above the distribution chamber. However, NYC Parks and the community have expressed an interest in the site becoming an open space (cf. Exhibit 1 and 2).

SHAFT28B

A-3

In FY 2018, DEP also pledged funding of \$1M for each of the three sites for development of passive park space. Two of the sites listed above are already in development; shaft site 28b, which sits on Hudson Street between Clarkson and Houston Streets, adjacent to City-As-School High School, has not yet been planned.

In 1999, the site (.57 acres) was seized by the City Council for the project via an eminent domain action and was chosen with the support of the DPR over a smaller alternative site (.26 acres) at Leroy and Greenwich streets because the DPR expressed the desire to obtain control of the full site after construction for use as a city park.



This site was later split into two sections (north and south) as agreed in a 2017 Memo Of Understanding (MOU) between DEP and DPR. Along with the split, the MOU also changed the agreement that the entire space would be used for park and stated that the northern section would revert to the city's Department of Citywide Administrative Services (DCAS) when the project was completed.

Currently, the site is surrounded by fencing, the southern lot is clear except for the DEP access points and air vents and the northern section is currently being for staging of construction equipment, an arrangement expected to continue for another year.

**CB2's positions on shaft site 28b.**

As noted, a commitment was made by the DEP to the DPR and CB2, in various letters and a 1998 Project Proposal letter, to return the entire shaft site to the community with DEP retaining only an easement for access as needed to maintain the site. This commitment was a result of substantial advocacy by local community groups including Greenwich Village Little League, Downtown United Soccer Club and City-As-School High School. CB2 stated, in a December 1998 resolution, support for this plan to converting the entire returned site into park space after completion of the water tunnel project.

CB2's expectations and support were consistent over the next 17 years.

In December 2015, CB2 passed a resolution stated commitment to preserving public open space at Elizabeth Street Garden and supported consideration of a *"substantial reduction of the amount of promised public open space at the Hudson Street water tunnel shaft site (28b) so affordable housing and indoor recreation can be developed there, but only if community open space needs are addressed, and specifically, only if Elizabeth Street Garden is preserved as a public park"*.

In a January 2019, CB2 passed a resolution stated that they encouraged *"the city to reconsider the Alternative Site at 388 Hudson Street because it could support four to five times more Senior AH and preserve ESG, but because 388 Hudson Street was promised for a park nearly 20 years ago, CB 2 supports switching 388 Hudson from park to affordable housing use only if the Garden is preserved in its entirety"*;

**Hudson Square Area Open Space Special Improvement Fund.** The 2013 Hudson Square rezoning established Area Open Space Special Improvement Fund (Fund) to mitigate the negative impact on open space from new residential development, as defined in a [March 2013 Restrictive Declaration](#) (see page 5). In the [August 2018 Department of City Planning](#) (DCP) resolution supporting expansion of the Hudson Square Business Improvement District (BID) north to Clarkson Street, the City further defined the Area Open Space Special Improvement Fund. (See document page 27, attachment page 19-20.) All new, converted or enlarged residential properties in the Special Hudson Square District on or after March 20, 2013, shall pay a one-time assessment of five dollars (\$5.00) per square foot of residential use at the time that a Temporary Certificate of Occupancy is granted by the New York City Department of Buildings (DCP). The 2018 DCP resolution allowed the BID to manage these funds as the DMA (District Management Association) as follows:

*"AREA OPEN SPECIAL IMPROVEMENT FUND*

*Funds collected from the One Time Assessment on Class F shall be deposited by the DMA into a separate account (the "Area Open Space Special Improvements Fund") and contributed to a new account maintained by a not-for-profit fund designated by New York City Department of Parks and Recreation, or to an account maintained by the New York City Department of Parks and Recreation, to be used by the New York City Department of Parks and Recreation for the purpose of funding active recreation space and open space improvements located within the Residential Open Space Study Area identified in the Final Environmental Impact Statement for the Special Hudson Square District. This account will be separate from all other accounts under the management of the not-for-profit organization or New York City Department of Parks and Recreation. On an annual basis, detailed income and expense reports for this account shall be completed and furnished to Community Board 2. On consultation with Community Board 2, the New York City Department of Parks and Recreation shall determine appropriation of these funds, which shall be used for the following projects (in no particular order): the additional costs related to the additional recreation space noted above within the new public school, Pier 40 at Hudson River Park, the Department of Environmental Protection's water tunnel site on Clarkson Street, and/or the Tony Dapolito*

*Recreation Center. Appropriation of funds may be used for similar and appropriate recreation opportunities that may be identified from time to time if the previously outlined sites have already been completed or if such projects are not feasible. Any similar and appropriate recreation opportunities not identified herein must be determined by the Department of Parks and Recreation in consultation and agreement with Community Board 2. Furthermore, any additionally identified opportunity must serve the originally intended purpose of augmenting public recreation services for the Hudson Square community. Proposed projects to be funded from this account will be submitted to Community Board 2 for comment at least 60 days prior to appropriation."*

At the time of the meeting it was not clear how much money currently resides in the Area Open Special Improvement Fund. In addition, though the DCP resolution that created the fund states "On an annual basis, detailed income and expense reports for this account shall be completed and furnished to Community Board 2." CB2 has never received any such reports. It is not clear whether the BID or DPR should be providing the reports.

**28b Site Options.** Discussion at our committee meeting then moved to introduce a proposal recently made by the Hudson Square Business Improvement District (BID), led by President and CEO, Ellen Baer, to develop and manage a park for passive recreation in what is the southern parcel of the space. The BID has proposed to the DEP and the DPR to lead the design and development of the space, obtaining and incorporating community input in the process. Funding sources would be \$1 million from the DEP as pledged in FY 2018 and approximately \$2 million from the Area Open Space Special Improvement Fund (Fund). Though that fund exists for development of active open space, the BID believes that development of a park for passive recreation in the southern lot of the site (active recreation not being possible due to DEP restrictions) is the best use of the proceeds of the Fund; the BID requires a resolution from CB2 to use the fund in this way.

Following the presentation of this history, status and the proposal from the BID, substantial discussion took place that raised many questions, including why the full site was not yet available, whether a full scoping and design of both lots together could be done holistically, what the northern section might be used for in the future and whether active space, even if indoors if affordable housing were to be developed, be promised for the northern lot, whether the Fund that the BID manages on behalf of the DPR could be used for a passive park, and how to best engage constituent groups from the community in the process. The committee decided that too many critical questions needed to be answered before a decision could be made on the process going forward and the question posed by the BID regarding use of the fund. Further, the committee will reach out to city agencies and the BID so that these questions can be addressed at a future community meeting, probably no earlier than September so as to get optimal community turnout.

Respectfully submitted,

Rich Caccappolo,  
Chair, Parks & Waterfront Committee  
Community Board 2, Manhattan