

March 19, 2019

Carter Booth, Chair
Manhattan Community Board 2
3 Washington Square Village, #1A
New York, NY 10012

Tobi Bergman, Committee Chair
Future of Pier 40 Working Group
3 Washington Square Village, #1A
New York, NY 10012

Dear Chair Booth, Chair Bergman, and Future of Pier 40 Working Group Members:

As the local elected officials who represent Pier 40 and its immediate constituencies, we have been discussing possible pathways to stabilize and improve the pier. Hudson River Park and Pier 40 are invaluable to our communities, and we appreciate the significant work you have done to help support these assets. As you are aware, Pier 40 is deteriorating and will require significant capital investment in the near future. We have collectively been working to identify ways to expand both the active and passive open space, provide important revenue for the operations and maintenance of the park, and meet the community's desires, including those encapsulated in Community Board 2's (CB2) Future of Pier 40 Working Group's November 2017 Report. It has become clear to us that there may need to be State legislation to amend the Hudson River Park Act to allow for additional uses on Pier 40 in order to permit the type of limited development that will meet these requirements.

We have not yet identified specific legislative language that we would include in amendments to the Act. Moreover, we recognize that there are many important considerations—such as design, specific park and commercial recreation uses, and other public benefits—that may be more appropriately discussed as part of a Request for Proposals (RFP) from the Hudson River Park Trust (HRPT), or a development proposal that would come to CB2 pursuant to the Uniform Land Use Review Procedure (ULURP), instead of through legislation. However, our offices have identified four key topics about which we would like additional feedback from community stakeholders before moving forward with any legislation, namely regarding building height limits, lease terms, zoning square footage limits, and minimum park space requirements.

The questions below arise from our ongoing conversations, which have thoroughly considered the Working Group's report, the results of the Working Group's survey, extensive consultation with HRPT, and informal briefings with members of CB2. Our goal is to define certain hard limits that could be included in legislation on the extent of any development at Pier 40. However, we want to ensure that any such limits would not be so specific as to hinder HRPT from engaging in a robust

public engagement process to define the parameters of an RFP or prevent creative solutions from emerging as part of any proposals. We value the input of CB2 and the Working Group as part of this process.

Defining Building Height Limits

In the November 30, 2017 CB2 resolution, the Working Group outlined three statements regarding parameters for a Pier 40 development that pertains to Mass and Design. In particular, CB2 stated:

There are currently no buildings taller than Pier 40 on the west side of route 9A north of Chambers Street, and south of Chambers Street there is substantial park space to the west of the buildings. There is a long and consistent history of objection to extending the Manhattan height context to the river. On the other hand, taller buildings may create opportunities to create more park space and to open views and access from the Park to the river. In any case, the determinant of building height should be based on the overall impact on the Park and adjacent neighborhoods, not solely commercial considerations. [Section 19].

Additionally, respondents to the Working Group's community survey expressed a mixture of opinions regarding the potential tradeoffs between building height and open space. About half of the survey respondents said they were very concerned about "tall buildings in the park," while the percentage of respondents who thought that "creating new open spaces, even if it requires taller buildings" was an important consideration was about equal to the percentage who cited "keep[ing] buildings to current height, even if it means no new open spaces" as a goal.

The current height of the tallest portion of the Pier 40 structure is the gantry at a height of approximately 88 feet. Would CB2 advocate limiting the height of any potential building to 88 feet, with an appropriate limit for mechanical space? Would CB2 be interested in raising this limit, if that would provide for better opportunities to expand open space at pier deck level?

Defining Lease Terms Acceptable to the Community

Currently, the Act places limits at Pier 40 that only allow leases with terms of up to 30 years, without renewals. In the past, the legislature has amended the Act to accommodate HRPT's desire for longer lease terms, as was the case at Pier 57 and is the case at other commercial piers, although we are sensitive to concerns regarding the permanency of longer terms. At times, HRPT has sought authorization for leases of 99 years in order to make it easier for RFP respondents or developers to get adequate financing, potentially improving responses. In the CB2 Executive Committee Resolution passed on May 24, 2018, the board stated:

Leases should not exceed 30 years except where a longer term is allowed for projects that limit the gross floor area of commercial uses at the pier to an area no larger than the amount of floor area currently built at the pier which amount has been represented by HRPT to be 761,924 square feet. No longer lease should be allowed unless any additional floor area is used exclusively for park administration uses and arts, educational, and recreational uses that provide direct benefits to the park and the community. [Section 2, Point C]

We have reviewed information on existing leases, such as that at Pier 57, and spoken with HRPT to get a better understanding of the manner in which HRPT might structure a long-term lease at Pier

40. HRPT has indicated that it could maximize public benefits over the course of a long-term lease through periodic market rate adjustments, recurring reviews to ensure that any lessee is in continuous compliance with lease terms, including maintenance of structures and provision of public benefits, and terms that would allow HRPT to remove lessees if they are bad actors.

There may not be a desire to allow a lease up to the maximum term of 99 years with a first renewal option at the 60th anniversary of the lease, as is the case at Pier 57. Would CB2 support allowing an initial lease at Pier 40 not to exceed 49 years, with lease renewals, dependent on market rate adjustments, for up to two 25-year terms that would make the lease concurrent with the Master Lease HRPT currently operates?

We understand that any changes to lease terms at Pier 40 would also have to exist within a fixed Floor Area Ratio and total square footage that will exist as a backstop defining a structure that will exist in the community for future generations. Furthermore, a lease agreement could include the aforementioned compliance reports and a review every 10 years that would allow HRPT to remove a developer if they are a bad actor which is out of compliance with the terms of the lease.

Establishing Limits to Zoning Square Footage

The currently built floor area at Pier 40 is 761,924 square feet and our discussions with HRPT have included gaining a greater understanding of what financial contribution HRPT anticipates Pier 40 to bring to Hudson River Park overall, whether an adaptive reuse or new construction scenario is ultimately selected. HRPT informs us that they are seeking \$12.5 million in yearly revenue (in 2019 dollars, adjusted for inflation going forward) from a developer's lease on commercial spaces at Pier 40 after any development occurs, which would be an estimated 25% of the park's projected revenue. Under any scenario, HRPT would remain in complete control of all public spaces. We are committed to ensuring that any development at Pier 40 includes additional community spaces that are allowable uses currently within the Act in the physical structure in addition to meeting the goal of increased open space.

With that in mind, would CB2 support creating a maximum limit of commercial office space at 880,000 square feet, outside of additional square footage allowed for community spaces and maritime uses, which HRPT has identified as the minimum required to allow for a successful proposal of new construction that increases open park space, along with other community benefits? Or does CB2 desire to limit commercial office space at 761,924 square feet, with the understanding that this restriction could hinder HRPT's ability to execute a successful RFP process or produce any additional community benefits beyond those currently on the pier, including additional open space?

Additionally, would CB2 prefer requiring multiple tenants at Pier 40, thus ensuring that no one tenant can occupy the full amount of zoning square footage of newly allowed commercial area, with the understanding that increasing the number of unique tenants might increase the density of workers per square foot?

HRPT has stated a willingness to commit that any RFP would be able to give preference to respondents that reduce height, minimize impacts from workers, expand public open space, including both active and passive uses, reduce vehicular and pedestrian traffic crossing the bikeway, and require all respondents to develop construction plans to minimize ballfield closures and

maintain a minimum of at least half of the current courtyard ballfield footprint for sports use at all times, while delivering other public benefits and meeting the revenue requirement for the HRPT.

Creating Minimum Park Space Requirements at Pier 40

Since the Hudson River Park Act was enacted in 1998, the nature of Hudson River Park and the waterfront along the west side of Manhattan has changed dramatically. As CB2 stated in a May 24, 2018 Executive Committee Resolution, “In 1998, the area now comprising the park was largely a dilapidated and abandoned industrial waterfront, and the value of waterfront recreation to Manhattan and the City and State was not widely recognized or supported.” It is clear that development opportunities on or near the west side waterfront are now prime real estate targets because of the improvements brought by the Act and creation of Hudson River Park.

As the Act requires, “No less than the equivalent of fifty percent of the footprint of Pier 40 shall be passive and active public open space; provided that up to one hundred percent of this pier may be limited to park use by the general project plan.” Since 1998, there has been a shift in the understanding of what is “public open space” in regards to HRPT and the park. If the pier were developed through an adaptive reuse of the existing structure rather than new construction, it would not be possible to increase deck level open space. However, if requirements placed on a potential development allow for a new-build scenario, it may be possible to increase deck level open space, including ballfields and passive space.

Given that Pier 40’s largest public use is the ballfield space, would CB2 support mandating an increase in the open space requirement to match the Act’s objective of realizing a minimum of 50% of the pier deck footprint, under a new construction scenario? Would CB2 be in favor of certain mandates, such as requiring a dedicated and uninterrupted pathway around the perimeter of Pier 40 in order to guarantee river views, under both a new construction and adaptive reuse scenario?

Conclusion

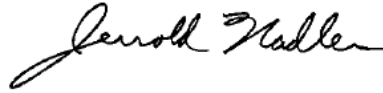
Gaining clarity on CB2’s opinion on these four items will help to inform the legislative process regarding any potential changes to the Act that the public may find acceptable. We welcome the opportunity to have CB2 publicly review these questions and provide feedback through a resolution. Again, while the questions above pertain to concerns that can be addressed through legislation, we are aware of desires from the community and CB2 that are further reaching and more specific, such as view corridors, limits on how much of total park revenue Pier 40 is intended to generate, specific requests regarding active recreation spaces, and other specific design elements. Some of these aspects can be discussed with HRPT as part of an RFP process, and in CB2’s review of any development on the site when it goes through the ULURP process.

We are committed to finding a way forward at Pier 40 that is community driven and sensible, and can address a number of desires the community has expressed over the years. Thank you for your time and attention to this matter and we look forward to reading your responses as part of the Board’s resolution.

Sincerely,



Deborah J. Glick
Assemblymember



Jerrold Nadler
Member of Congress



Brad Hoylman
State Senator



Brian Kavanagh
State Senator



Gale A. Brewer
Manhattan Borough President



Corey Johnson
Speaker, City Council