



NEW YORK STATE SENATOR

Daniel L. Squadron

Mayor Bloomberg, Senator Squadron & Assembly Member Millman Announce Agreement on Next Phases of Brooklyn Bridge Park

DANIEL L. SQUADRON August 4, 2011

| ISSUE: **CITIES, RECREATION AND TOURISM**

Memorandum of Understanding Enables Construction of 85-Acre Waterfront Park to Move Forward, Finds Common Ground to Reduce Housing and Utilize Alternatives

Mayor Michael R. Bloomberg, State Senator Daniel L. Squadron and Assembly Member Joan L. Millman today announced an agreement on the future construction and ongoing maintenance of Brooklyn Bridge Park. The agreement finalizes a plan to ensure that a long-term revenue stream is in place to pay for the park's annual maintenance, while allowing the next phases of construction to move forward. Of the park's 85 total land and water acres planned, 25 acres have been completed at Piers 1 and 6 and another 10 acres are in construction at Pier 5 and the area between the Manhattan and Brooklyn Bridges, leaving 50 acres to be built. In March 2010, the City assumed from the State the responsibility for the planning, construction, maintenance and operation of the park. As part of that transfer, the City committed \$55 million to build the next phases of the park provided either that Senator Squadron and Assembly Member Millman permitted the operations of the park to be funded by revenue from new housing to be constructed at sites on John Street and at Pier 6 or an alternative source of stable, long-term funding was agreed to by the Board of the park. The agreement announced today represents a consensus plan for funding the park, reducing the

amount of planned residential development adjacent to the park as a result of the identification of \$750,000 in new, annual revenues, and potentially further reducing or eliminating the additional planned housing through a potential future rezoning and sale of other sites currently owned by the Watchtower Bible and Tract Society of New York Inc.

“Brooklyn Bridge Park is already a celebrated urban waterfront destination, and yet the park is only about one-quarter complete. This agreement means we can move forward with what we set out to do when the City took over control of these five long-vacant piers last year: transform all 85 acres into one of the world’s greatest waterfront parks,” said Mayor Bloomberg. “Before investing further City capital to build out the park, it was critical that we come to an agreement on a long-term funding plan for its maintenance so the park would be self-sustaining. Together with Senator Squadron and Assembly Member Millman, we’ve finalized that plan and can now move ahead completing New York City’s next great park.”

“Brooklyn Bridge Park has already become one of New York’s iconic recreation facilities and tourist attractions, bringing investment, visitors and jobs to Brooklyn, and so I’d like to thank Senator Squadron and Assembly Member Millman for working with the city to hammer out an agreement that secures the park’s future and catalyzes the next phase of construction,” said Deputy Mayor for Economic Development and Brooklyn Bridge Park Chairman Robert K. Steel. “This collaborative approach balances the needs of the park and gives us a blueprint with which to move forward quickly and with confidence that that we can maintain this extraordinary public investment.”

“By reducing or eliminating housing and requiring Watchtower and other alternatives to be used, we have dramatically changed the plan,” said Senator Squadron. “We found a path to complete Brooklyn Bridge Park and address long-standing community concerns about housing on the site. This agreement also increases amenities and gets the park built faster. I’d like to thank Mayor Bloomberg, Assembly Member Millman, City Council Members Levin

and Lander, Borough President Markowitz, Congresswoman Velazquez, and Public Advocate DeBlasio for working with us to develop this innovative solution for Brooklyn and all of New York City.”

“Today, we have taken Giant steps forward to complete Brooklyn Bridge Park,” said Assembly Member Millman. “The new Memo of Understanding guarantees that a long-term revenue stream is in place to pay for the park’s annual maintenance and allows the next phases of construction to move forward. For decades, Brooklyn residents have dreamed of a world-class park along the waterfront. I want to thank my colleagues on the state and city level for working closely together to achieve the best plan for the park and to eliminate a circle of high-rise housing surrounding the park.”

When completed, the \$360 million park will stretch from Atlantic Avenue to Jay Street, north of the Manhattan Bridge. The City and Port Authority have already spent or committed \$237 million on park construction at Piers 1, 5 and 6.

The 2010 agreement between the City, Senator Squadron and Assembly Member Millman on the transfer of development responsibilities of Brooklyn Bridge Park to the City led to the creation of a 17-member board comprised of appointees of the Mayor, Governor, State Senator, Assembly Member, City Council, Borough President and community. The agreement created a Committee on Alternatives to Housing to explore potential alternative revenue sources to the planned residential developments on Pier 6 and John Street. That work led to a revised plan to fund the park’s annual maintenance, adding new revenue sources including increased concessions and fees and reducing the amount of planned residential development. Agreement among the parties on such a plan– now reached – was required for construction to move forward.

The major components of the agreement are as follows:

- Commitment of \$55 million in City capital funds to move forward with construction of Pier 2's active recreational amenities and the John Street portion of the park.
- Granting of permission to the staff of the park to release, when market conditions are appropriate, a John Street Development Site Request for Proposals (RFP), with a reduction of the maximum residential development permitted at the John Street Development site by 40,000 square feet and the establishment of a new maximum height of 130 feet at the site, down from 170 feet as was originally proposed.
- Adoption of recommended alternative revenue sources including increased concessions, events, recreation fees and institution of parking fees for a total annual revenue of \$750,000.
- Ability to have revenues generated by a potential future rezoning and sale of sites near the park – currently owned by the Watchtower Bible and Tract Society of New York Inc. – to reduce or eliminate Pier 6 development sites. Such a rezoning and sale to tax-paying entities would have to take place by December 31, 2013 to be counted as an offset. For each square foot of Watchtower property rezoned and sold, the Pier 6 development sites would then be reduced by 0.30 square feet. Total incremental revenues allocable to the park from these sites would be capped at \$6.27 million per fiscal year, escalating at 3 percent per year (or the amount previously anticipated from the Pier 6 Development Site).

- Amenities agreed to as part of this deal include a temporary pool for five summers; RFPs for Pier 5 seasonal recreation 'bubble' and an ice skating rink concession; tennis courts and 2,200 square feet of community space located in a future operations building.

“This agreement provides a creative but practical strategy to allow the park to maintain its needed revenue flow from targeted development, on the one hand providing for a reduction in the size of the residential structures intended to fund the park, but, on the other hand, providing a short-term timeframe to determine whether such reduction is possible to eliminate uncertainty and delay,” said New York City Economic Development Corporation President Seth Pinsky.

“This agreement catalyzes the construction of Pier 2 and its active recreation amenities including basketball courts, inline skating rink and other play equipment as well as the John Street section of the park,” said Brooklyn Bridge Park President Regina Myer. “Each will diversify and expand the park’s impact in the lives of New Yorkers and our visitors.”

“Brooklyn Bridge Park is quickly emerging as one of our City’s premier waterfront destinations with stunning views and a state-of-the-art sustainable design,” said Parks & Recreation Commissioner Adrian Benepe. “Today’s agreement helps to ensure a long-term revenue stream for the park’s maintenance and operations while providing that its next phases of construction move forward.”

“This agreement is a win-win – it allows our magnificent Brooklyn Bridge Park to be financially self-sustaining while ensuring that the next stages of construction can move forward,” said Brooklyn Borough President Marty Markowitz. “Brooklyn Bridge Park is already a crown jewel in our park system, and thanks to the hard work of Mayor Bloomberg,

Deputy Mayors Harris and Steel, Regina Myer, Senator Squadron, Assembly Woman Millman and everyone involved in hammering out this agreement, the Park will be completed – ensuring a gorgeous ‘Eden on the East River’ for the enjoyment of generations to come.”

“This announcement represents a significant step forward for the construction of Brooklyn Bridge Park,” said Council Member Stephen Levin. “I would like to thank Senator Daniel Squadron, Assembly Member Joan Millman, Councilmember Brad Lander, as well as Mayor Bloomberg and Deputy Mayor Robert Steel for their diligence and willingness to work together to achieve an innovative compromise that ensures the completion of the park.”

“Today's agreement is a strong step forward to fulfill the potential of Brooklyn Bridge Park,” said Council Member Brad Lander. “I'm especially pleased that the City has agreed to a framework in which the conversion of existing Watchtower Properties can replace the development of new residential buildings at the gateway to the park at Pier 6, and to defer the issuance of any RFPs for development there until after the end of the Bloomberg Administration. The past two summers have shown the extraordinary potential of the park, as tens of thousands have enjoyed its unique landscape, playgrounds, programs, food, and views – this agreement will help us make the rest of the park a reality.”

“Today we've taken another step towards realizing the vision of a thriving Brooklyn waterfront that all New York City can enjoy. I'm proud to have played a role in helping our local and city officials unite behind a compromise that gives Brooklyn Bridge Park a real future. I commend Senator Squadron, Assembly Member Millman and Mayor Bloomberg for coming together behind this deal.”

“This is a well thought out plan that balances the desire to limit residential development in Brooklyn Bridge Park with the need to fund the park’s maintenance and operations,” said Nancy Webster, Executive Director of the Brooklyn Bridge Park Conservancy. “We commend

State Senator Daniel Squadron, Assembly Member Joan Millman, Mayor Michael Bloomberg and the City of New York for coming together on this agreement that ensures the financial sustainability and full completion of our much loved park.”

-30-

Contact:

Stu Loeser / Andrew Brent (212) 788-2958

Ellen Ryan (Brooklyn Bridge Park) (718) 222-9216

Amy Spitalnick (Senator Squadron) (212) 298-5565

Anne Strahle (Assembly Member Millman) (917) 279-6520