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**FRIENDS OF HUDSON RIVER PARK RELEASES STUDY  
CONFIRMS PARK'S VALUE AS PUBLIC INVESTMENT**

***First completed section of the Hudson River Park increased adjacent property values in Greenwich Village by \$200 Million.***

***Advocacy group calls for exploration of establishing Hudson River Park B.I.D to ensure quality future for acclaimed waterfront park.***

September 25, 2008 – New York, NY According to a study commissioned by Friends of Hudson River Park (FoHRP) and funded by the J. M. Kaplan Fund, parks are good for New York in more ways than one. In addition to functioning as the lungs of the City and a backyard for weary New Yorkers tired of the concrete jungle, the "Impact of Hudson River Park on Property Values Study" with research by the Regional Plan Association and support from the Real Estate Board of New York (REBNY) shows that the initial \$75 million public investment in the Greenwich Village section of the Hudson River Park has added \$200 million in value to the properties in a two block area adjacent to the first completed section of the Park between 2002-2005.

**Key Findings**

- Approximately 20% of the value of properties within two blocks of the Greenwich Village section of the Hudson River Park can be attributed to the park. As 20% of the value of buildings sold in the area from 2002 – 2005 was \$48.5 million, and less than one quarter of all properties actually changed hands, one can extrapolate that the creation of the Park has added up to \$200 million in value to all the properties in the affected area in that timeframe.
- The announcement of the intent to build the Park in 1990 had no appreciable impact on the value of real estate in the adjacent area. Prices began to rise only when construction of the Park began in 1997.
- Adjacent property prices increased sharply following the 2003 completion of the Greenwich Village section of the Park, suggesting that the completed Park contributed substantially to the City's tax revenues.
- Property values in Greenwich Village increased 300% in the sixteen years since the plan for the Park was announced, compared with 200% for all of Manhattan. Values in Greenwich Village increased 55% from 2002 to 2005.
- The Park had an especially dramatic impact on adjacent condo sales, prices of which increased by 80% following completion of the Greenwich Village section in 2003 (as opposed to 45% in neighboring areas to the north and south).

“The construction of the Hudson River Park has had an appreciable and documented positive impact on real estate values of neighboring properties,” according to Douglas Durst, Co-Chair of Friends of Hudson River Park and Co-President of the Durst Organization. “We not only want to maintain that impact for the benefit of the Park, but determine how best to use it to sustain the quality of the Park in the long run. Because revenue from the current commercial nodes within the Park will not sustain maintenance or capital replacement as the Park expands and ages, new sources of funding must be secured to overcome the projected shortfall.”

To that end, Friends of Hudson River Park will prepare an application for the creation of a Hudson River Park Business Improvement District (BID) similar to those that support Union Square Park and Bryant Park, to maintain the Park in premium condition and continue funding its long term growth.

The NYC Department of Small Business Services (SBS) has a seven-month statutory public review and approval process, which includes local Community Boards, the City Planning Commission, City Council and Mayor’s offices. Based on the results of this study, strong community support for the Hudson River Park and the understanding that projected revenue generated in the Park will not meet maintenance and programming needs, FoHRP will initiate the process to further analyze needs and opportunities in preparing an application for the establishment of a Hudson River Park BID to submit to SBS for the public review and approval process can begin.

According to Friends of Hudson River Park’s Executive Director A. J. Pietrantone, “The establishment of a Hudson River Park BID can help ensure both a maintenance fund for the Park and capital replacement without relying solely on government allocations or private charitable contributions, and will draw on expanding resources of the neighboring regions. A diverse revenue stream will be the best solution for the Park.”

“While the economic and political viability of such a financing mechanism remains to be fully explored,” according to Durst, “the principle of assessing neighboring property owners seems sound, as these landowners benefit most from the added value of the Park and stand to lose the most if the Park were to fall into disrepair.”

## **Background**

Following the decay and marginalization of the West Side of Manhattan along the Hudson River throughout the 1970’s and 80’s, several projects were proposed to revitalize the region. In 1990, the Westside Waterfront Panel proposed the construction of Hudson River Park while suggesting two unconventional financing models to supplement limited public funding for new parks: 1) setting aside three commercial nodes within the park that would generate rental income, and 2) capturing a portion of the appreciation in value of properties adjacent to the park.

After pledges of \$100 million each from the City and State, the completion of the Master Plan and the Environmental Impact Statement, construction of the Hudson River Park began in 1997, and the Greenwich Village section of the Park was completed in 2003. The Chelsea Piers was the first of the three commercial nodes to be developed in the Park but little was done to quantify or capture appreciation in adjacent property value, the other revenue source recommended by the Westside Waterfront Panel.

Projecting that the revenue generated by the three commercial nodes (including the redevelopment of Pier 40) would not be sufficient to cover maintenance and operating costs as the Park continues to grow, FoHRP commissioned this study as an initial step in securing a portion of the value added to properties adjacent to the Park for its long-term benefit.

### **The Study**

The study analyzed data from 1990 to 2005, focusing particularly on the benchmark dates of 1997 (when construction on the Park began) and 2003 (when construction on the Greenwich Village section of the Park was completed).

The Real Estate Board of New York (REBNY) provided data on all real estate transactions in Manhattan from 1990 to 2005. The study also examined data on co-op and condo sales during this period collected by Miller Samuel real estate consultants, and from the New York City Real Property Assessment Databases for 1997 and 2005.

With this data, the study tracked average real estate prices in the Primary Study Area and in Comparison Areas from 1990 to 2005 ("Average Price per Square Foot" was the basic unit of measurement), and then compared the magnitude of increase in value in those areas over the same period. The comparison of prices was limited to the most recent data available for the last three years (2003, 2004, and 2005), condominium and building sales were tracked separately, and clearly outsized transactions were withheld from the study. Finally, a regression model (Hedonic or Proximate Econometric Model) was applied to the data incorporating the variables of Price (property value) and Distance from the Park to determine how much of the value of properties within three blocks of the Park should be attributed to the Park.

### **MEDIA NOTE**

For an executive summary or full digital copy of the "Impact of Hudson River Park on Property Values Study," please contact [stacey@theshermangroup.com](mailto:stacey@theshermangroup.com).

Available for interview: Douglas Durst, Chairman The Durst Organization and Co-Chair, Friends of Hudson River Park; Rob Pirani, Director of Environmental Programs, Regional Plan Association; Mike Slattery, Senior Vice President and Head of Research, Real Estate Board of New York and A. J. Pietrantone, recently appointed Executive Director of FoHRP.

Friends of Hudson River Park, a not-for-profit 501(c)(3) organization founded in 1999 is the only community-based organization exclusively dedicated to the creation and preservation of the entire Hudson River Park for the enjoyment of present and future generations. Its mission is to support and maintain the park as world-class for everyone, and represents thousands of supporting organizations and individuals who share its goals. For more information, please visit [www.fohrp.org](http://www.fohrp.org) and [www.hudsonriverpark.org](http://www.hudsonriverpark.org).