

BROOKLYN BRIDGE PARK

A Real, World Class Park for the 21st Century



The Plan for a Real Park

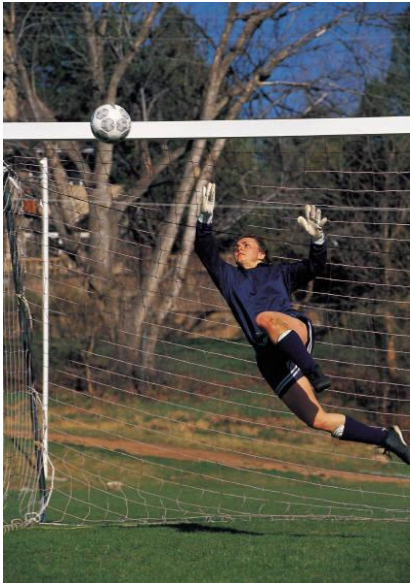
- Brooklyn Bridge Park has the potential to be a great New York icon – a park that truly serves the community and the city
- In order to achieve such a park, we must do three things right:

The Plan for a Real Park

- 1. Amenities:** What is in the Park
- 2. Governance:** How the Park is run
- 3. Revenue Sources:** How the Park's operation is funded

AMENITIES:

What is in the Park



AMENITIES: What is in the Park

- Brooklyn Bridge Park must have **active, affordable, year-round recreation and other community uses**
- Based on discussions with the community, the City and State Parks Departments, and other experts, there are feasible options

Possible Recreation/Community Facilities

Year-round field and/or courts:

- Construction of bubble on one or more piers
- Inexpensive and effective use of capital
- Minimal additional operating cost

Possible Recreation/Community Facilities

Pool:

- Floating or permanent
- Pilot summer was a great success
- Floating pool could be installed relatively quickly
- Would make possible the establishment of swim teams/leagues
- New York City has a DEC waiver for a floating pool

Possible Recreation/Community Facility

Ice Rink:

- Provides winter recreation at park
- Would make possible the development of winter sports teams/leagues

Possible Recreation/Amenities

Pier 6 Ferry Landing:

- Waterfront entry to park
- Connects Brooklyn Bridge Park with the rest of New York Harbor, including Governor's Island and Manhattan waterfront parks
- Intermodal community access for Brooklyn

Possible Recreation/Community Facilities

Recreation/Community/Arts Facility:

- Bid out for possible recreation center/community/ arts facility
- Year-round access to fitness, classrooms, arts or theater space, or other sports facilities
 - YMCA (Dodge YMCA, located on Atlantic Avenue, has signed up 10,000 adults and 8,000 children since its 2005 opening, more than double its projection)
 - Demonstrated demand for community facility/theater/arts space in area

Possible Recreation/Community Facilities

School:

- Dire need for middle school in area
- Provides year-round vitality and park use
- Possible sites include 360 Furman
 - Has been discussed as possible location for placement of middle school

GOVERNANCE: How the Park is Run



Governance

- There must be a clear system by which Brooklyn Bridge Park is managed and governed.
- Any governance structure must include three elements:

Governance

- State Legislation
 - Designation of Brooklyn Bridge Park as park land
 - Governance structure defined
- Community Input
 - Thorough & ongoing community outreach
 - Clearly defined community process
- Transparency
 - Construction plans and execution
 - Funding sources and projects

Governance

- Harbor Park Task Force
 - Multi Borough Commission to link Governor’s Island, Brooklyn Bridge Park, Hudson River Park and the East River Waterfront (similar to the City’s “Harbor District” initiative)
- Marine Infrastructure Task Force
 - Federal and State dollars for maintenance and improvement of piers, bulkheads and other marine infrastructure projects, in Brooklyn Bridge Park and across harbor

REVENUE:

How the Park's Operation is Funded



Revenue

Operating Revenue for Brooklyn Bridge Park:

1. Sources already in current plan
 - Housing at 360 Furman
 - Pier 1 Hotel
 - Empire Stores
2. “Park PIRC”
3. Funds generated through Park amenities
4. Possible marine infrastructure money

Revenue: What is a PIRC?

“Park Increment Recapture” (Park PIRC)

- The City dedicates a portion of the increased property tax revenue it realizes – due to rising property values from certain rezonings (any scenario) and the Park – to fund the Park’s operations.

Revenue: How a PIRC Works

- City redirects a % of property tax revenue increases on any rezoned areas or properties in a .4 mile radius of the Park to finance the Park's operations
- Not an increase on property tax rates, rather an increase in revenue due to enhanced property value
- No new taxes on residents or businesses
- Costs the City none of its current revenue because it is based on incremental revenue in an area voluntarily defined by the City

Revenue: Case Study

Hudson River Park

In the **3 years** after completion of the Greenwich Village section of Hudson River Park:

- \$200 million in new property value that can be attributed to the park from properties within two blocks of the park; and
- 20% more revenue per unit in that two-block area than in adjacent neighborhoods

Revenue: Why a PIRC?

- By only applying the PIRC to areas and properties that are rezoned, the PIRC allows the **City itself** to target and define the areas affected (i.e. the City controls which incremental revenue becomes dedicated to the Park's operations).
- Unlike improvement districts, PIRC is not a tax increase. It is a dedicated stream of funding based on the City obtaining more revenue due to increased property values.

Revenue: Why a PIRC?

- PIRC creates an incentive for all parties – city, state, community & property owners – to complete the Park quickly

Revenue: Why a PIRC?

PIRC v. New Housing

- In the current market, PIRC-generated revenue is a surer bet than large new housing developments
 - 360 Furman is struggling to meet occupancy projections
 - In this economy, the market for luxury waterfront condos is uncertain
- Housing within a park creates serious concerns and divides the community, as seen by reaction to the current General Project Plan
- PIRC is more flexible than onsite housing developments because any one of a number of sites can be improved – the PIRC does not depend on a single specific development

Revenue: Why a PIRC?

A PIRC is a good financial bet:

- Rezoning (any scenario) are likely to generate revenue regardless of economy
- Discussions already underway for rezonings near the Park

Revenue: Operating Revenue Estimates*

	Current Plan	Proposal Without Marine Infrastructure \$	Proposal With Marine Infrastructure \$**
Amenities	\$0	\$500,000***	\$500,000***
Housing	\$10,588,000	\$2,982,000****	\$2,982,000****
Pier 1/Hotel	\$5,246,000	\$4,246,000*****	\$4,246,000*****
Empire Stores	\$1,075,000	\$1,075,000	\$1,075,000
Park Increment Recapture (PIRC)	\$0	\$7,301,000	\$2,503,000
Total Maintenance & Operations Budget	\$16,104,000	\$16,104,000	\$11,306,000

* Using the Brooklyn Bridge Development Corporation's existing maintenance and operations figures, which must be subject to ongoing review and adjustment

** This figure is based on the possibility of federal marine infrastructure funds to cover the BBPDC's estimate of \$4,060,000 per year required for marine infrastructure costs; it therefore also assumes \$1 million less in capital reserve than the current BBPDC plan.

*** This is an estimate of what proposed amenities could possibly generate.

**** This figure represents anticipated revenue from the housing at 360 Furman but not new housing development

***** Pier 1 estimate without housing component

PIRC Projected Revenue

DUMBO Rezoning (any scenario)

- Immediate property tax increase for moving current uses into compliance (commercial to residential)
- Park will create 10-20% increase in value in nearby areas, generating over \$700,000 per year in new revenue
- Reassessments on 2-5% of eligible property within two years will generate over \$3 million in new tax revenue
- Reassessments on an additional 6-10% over the next three years will generate an additional \$16 million in new tax revenue

PIRC Projected Revenue

- A PIRC of 50% (capped at the amount needed) will generate at least \$20 million of new revenue over the first five years
- Beyond five years, PIRC is likely to generate more than needed per year
- Above the amount needed, the PIRC surplus can be directed for other uses

Conclusion

- Year-round affordable amenities based on assessment of available resources
- Governance that ensures a real, world-class park for Brooklyn, our City and our State
- Park PIRC instead of new housing within Park, to create a sustainable funding stream