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## **Howard Hughes Corp. unveils plan for affordable housing at 250 Water St., revived Seaport Museum**

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Manhattan, NY The Howard Hughes Corp., (HHC) unveiled a comprehensive proposal for Lower Manhattan's Seaport area, including the transformation of an underutilized full-block surface parking lot into a mixed-income development that would include some of the area's first new affordable housing in decades.

The \$1.4 billion proposal also provides for the long-term financial stability of the South St. Seaport Museum, improvements to the museum's historic buildings that will allow it to reopen, and a design for a new museum building on an adjacent vacant lot. HHC's plan comes after more than a year of community input that significantly helped shape it. The plans were designed by architecture and urban design firm Skidmore, Owings & Merrill (SOM). As the city focuses on economic recovery from the ongoing pandemic, the 250 Water St. development will help propel that recovery, creating 2,500 permanent jobs and 2,000 construction jobs. HHC recently repaid the debt on its Seaport ground lease, has nearly \$1 billion on its balance sheet, and is in a strong position to carry out the project.

The centerpiece of the proposal is 250 Water St., which will include the first affordable housing built in Manhattan Community Board 1 through the City's Mandatory Inclusionary Housing program.

It will bring at least 100 critically needed permanently affordable apartments to a Community Board district where just 2.5% of all housing qualifies as affordable and the median household income is more than \$150,000. The MIH rental apartments will be made available to families earning 40% of Area Median Income. Of the project's roughly 360 overall units, 25% will be affordable, along with 260 condominium units.

This new affordable housing is particularly significant following the exit of nearby Southbridge Towers from the Mitchell-Lama housing program in 2015 with a co-op conversion that has resulted in more than 1,650 formerly income-restricted apartments being bought and sold at market prices well out of reach for working families.

250 Water St. is a full block site located on the edge of the Historic District at the transition point between the tall skyline of Lower Manhattan and the lower scale of the Seaport. Vacant and used as a surface parking lot for decades, it has no historic fabric or significance. In planning 250 Water St., HHC and SOM explored multiple configurations for the site and presented several options as part of three communitywide engagement workshops. Earlier concepts included a single tower standing

nearly 1,000 feet. Shaped by feedback from community members, Community Board 1 and elected officials, the highest point of the proposed building is now 470 ft.

The two-tower design includes a contextually scaled podium base designed to reference the heights, materials and massing of adjacent buildings and the vernacular of the Historic District. The base is articulated at key points to allow light down to surrounding streets and neighboring buildings and includes storefronts that are resonant and compatible with the historic storefronts found in the Historic District. The 250 Water proposal also includes enhancements to the Peck Slip Play Street used by the neighboring Peck Slip School and Seaport families, as well as community-oriented spaces and office space.

The proposal is in keeping with HHC's commitment to preserving the character of the Seaport and honoring its past, which has included refurbishment of the historic buildings on Schermerhorn Row, preservation of the cobblestone streets, and the nearly completed renovation of the esteemed Tin Building. HHC's plan provides essential support for the South Street Seaport Museum.

, guardian and curator of the heritage of the global port where New York began. Since 1967, the Museum has been the cultural heart of the Historic District—telling the story of New York's history as a city built by immigrants and its maritime past to generations of students, residents, and tourists. Its collections, which include artwork, photos and artifacts from the city's seafaring heyday, bring the history of New York's first commercial center to life.

Over the past two decades the museum has survived significant setbacks, including a two-year closure after 9/11, the 2008 financial collapse, crippling flooding during Hurricane Sandy, and now an existential threat resulting from the pandemic, making the need to strengthen and secure its finances more vital than ever.

The Seaport Museum is the steward of a large collection of historical assets in the Historic District, including as its most significant and visible holdings its 19th-century home on Schermerhorn Row, a working letterpress printing shop, and its fleet of historic ships. For many years, the Museum has cared for these properties at the expense of its long-term financial health; without reliable funding, the Museum faces a potential for permanent closure in the wake of the ongoing pandemic.

Through HHC's proposal, \$50 million will be available to the Museum, providing it with a secure recurring revenue stream and allowing it to advance a first phase of restoration and rehabilitation that will enable the Museum to reopen.

Building on this solid financial base, the Museum will plan for a new state-of-the-art building that will meet its programming needs. The future vision is for the museum to maintain and restore key current properties, which are crucial testaments to the history of how New York was built and grew, as well as construct a modern, properly climate-controlled, high-ceiling space suitable to display precious art and artifacts from its collection. HHC is funding significant design and planning costs to enable the Museum's future development, laying the groundwork for a larger fundraising campaign.

The project will also provide significant economic benefits for the area and city at a time when the need for private investment in its long-term future is urgent. The 250 Water Street project's construction will generate more than \$1.8 billion in economic output annually for both the city and the state, \$640 million in new labor income, and roughly 2,000 construction jobs. Ultimately, the site is projected to create an estimated 2,475 new direct and indirect full and part-time permanent positions, and annually generate \$645 million in economic output for New York City, along with \$327 million in wages, salaries and benefits.

A number of government approvals are required for the project. The New York City Landmarks Preservation Commission (LPC) must approve the designs of the 250 Water Street Building and the new Museum Building as well as the improvements to the Museum's historic buildings. Additionally, in order to proceed with the overall project, a framework for transferring unused development rights from the HHC-leased Pier 17 and Tin Building sites to 250 Water Street must be approved. Transferring these development rights to the upland 250 Water Street site will help preserve the low-rise character of the waterfront and the existing built fabric. Through the development rights sale, upon which the 250 Water Street proposal is contingent and requires City review and consent, the \$50 million will be made available to the Museum. The proposed transfer builds upon the existing mechanism for transfer of development rights within the Seaport Subdistrict, which has been in existence since 1972.

To move this proposal forward, HHC will undertake a comprehensive public review that will provide numerous opportunities for community engagement and public comment, including at LPC and under the City's full public land use review process, known as the Uniform Land Use Review Procedure (ULURP). The proposal will be formally presented to the LPC in December, and the ULURP process is expected to begin in the spring of 2021. Under this timeline, if approved, construction, and the economic activity it will create, would begin in 2022.

As part of the 250 Water Street project, HHC is working closely with the New York State Department of Environmental Conservation and Department of Health on a voluntary basis through the rigorous Brownfield Cleanup Program, communicating routinely with local stakeholders and funding an independent community monitor to ensure the safe environmental remediation of the 250 Water Street parking lot.

"The Howard Hughes Corporation remains firmly committed to the Seaport and New York City for the long-term, with mixed-income housing and a plan to save the Seaport Museum at the heart of our commitment," said Mary Ann Tighe, member of HHC's Board of Directors, and CEO of the New York Tri-State Region for CBRE. "We believe visionary projects like this will help propel the city's economic recovery."

"As New York City works to recover from the devastating impacts of the pandemic, we are redoubling our commitment to the city and the Seaport. We aim to be part of the solution by investing in this unique, historic neighborhood and its economy, providing a crucial lifeline to the Seaport Museum, and building affordable housing in an area where housing prices are out of reach for most New Yorkers," said Saul Scherl, president of the New York Tri-State Region, HHC. "Over

the last five years, we've received input from a wide range of neighbors about the Seaport's future that has helped shape our proposal, which honors the area's history and culture. We're eager to continue the constructive dialogue with the community and our local elected officials as we move toward public review."

"For decades the Seaport Museum has credibly delivered its world-renowned and award-winning program despite a perennial shortage of reliable revenues," said Jonathan Boulware, president and CEO of the South Street Seaport Museum. "Following the repeated setbacks the Museum has endured, the pandemic is a terrible blow. The proposed financial support from this project and phased improvements to its Schermerhorn Row home would go a very long way to ensuring that this irreplaceable jewel in New York's crown survives and thrives."

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