



January 15, 2020

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Comptroller Scott M. Stringer  
David N. Dinkins Municipal Building  
1 Centre Street, 5<sup>th</sup> Floor  
New York, NY 10007

Dear Comptroller Stringer:

Thank you for your letter regarding the Seaport and recent discussions concerning unused development rights in the South Street Seaport Subdistrict. As you know, NYCEDC manages a significant amount of property in the neighborhood, and we take seriously the charge of balancing preservation of, and respect for, the historic nature of the area with responsible economic development.

Howard Hughes Corporation (HHC) is a tenant of the City on various sites in the Seaport area. As you mention, they recently purchased the site known as 250 Water Street and are hosting community engagement sessions to discuss potential development on that site. We understand that their proposal includes the use of excess development rights that exist on Pier 17, the Tin Building, the New Market Site, and a small amount of development rights already owned by HHC.

We have answered your questions below to the best of our knowledge. We also recommend consulting with the Department of City Planning (DCP), which has oversight of the types of development possible at the 250 Water Street site, based on existing zoning.

1. *How many square feet of unused air rights are available in the South Street Seaport Subdistrict?*
  - NYCEDC is aware of approximately 814,000 square feet of unused development rights owned by either the City or HHC across the Pier 17, Tin Building, and 250 Water Street sites, all of which are within the bounds of the South Street Seaport Subdistrict. This includes:
    - Approximately 473,000 square feet of unused development rights that are owned by the City and managed by NYCEDC.
    - Approximately 311,000 square feet available for use at 250 Water Street, which is owned by HHC and zoned C6-2A, allowing for an as-of-right development at 6.5 floor area ratio (FAR).



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- Approximately 30,000 square feet of unused development rights that HHC purchased from JPMorgan Chase in 2014 (relating to the original South Street Seaport Subdistrict granting lots).
  - Additionally, there are approximately 212,000 square feet of unused development rights at the City-owned New Market Site, which is adjacent to, but outside of, the South Street Seaport Subdistrict. The City owns these development rights.
  - This totals approximately 1,026,000 square feet of unused development rights, most of which are inside the South Street Seaport Subdistrict, as described above. We have focused our answer on the specific sites mentioned in your letter; however, there are other privately- and City-owned sites within the South Street Seaport Subdistrict with unused development rights. NYCEDC has not performed an accounting of *all* available development rights in the district.
2. *Who owns available development rights in the South Street Seaport Subdistrict?*
    - Please see the response to Question #1, above.
  3. *How many square feet of available development rights does each entity own?*
    - Please see the response to Question #1, above.
    - For additional clarification, approximately 415,000 square feet of the development rights associated with Pier 17 and the Tin Building sites are within HHC's leasehold, which does not allow HHC to transfer the development rights to another site for the purpose of development. The development rights are not owned by HHC, so they cannot be transferred by HHC. If the City were to consent to the transfer of development rights from Pier 17 and the Tin Building sites, the development rights would first need to be alienated from HHC's leasehold through negotiation, and then disposed of through a public procurement process.

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4. *Are there any agreements between NYCEDC and other parties regarding the current or future ownership of unused development rights?*

- No, we do not currently have any plan to transfer ownership of the City-owned unused development rights. As mentioned above, approximately 415,000 square feet of unused development rights at Pier 17 and the Tin Building are in HHC's leasehold, but that does not entitle HHC to transfer those rights to another site.

5. *Please provide any documentation (including, but not limited to, any leases, licenses, agreements, contracts, memorandums of understanding, etc.) that outlines HHC's rights and obligations regarding the South Street Seaport.*

- We are happy to share the HHC lease and will transmit the file to your staff under separate cover.

Numerous procedural steps would be needed to facilitate a transfer of unused development rights to the 250 Water Street site, including multiple ULURP actions and a competitive procurement process for the sale of City-owned unused development rights. As mentioned, we recommend consulting with DCP regarding these land use actions.

As the managing entity for a significant amount of property at the South Street Seaport, NYCEDC takes seriously the responsibility of encouraging inclusive economic growth while honoring and preserving the legacy of the neighborhood. Please do not hesitate to contact me with any additional questions.

Sincerely,



James Patchett

Cc: Congressman Jerrold Nadler  
Senator Brian Kavanagh  
Assemblymember Yuh-Line Niou  
Borough President Gale Brewer  
Council Member Margaret Chin  
Manhattan Community Board 1  
Seaport Coalition