

N.Y.C.'s Riverfront Revival ; City Pledges \$367M for Waterfront Development

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Abstract (Document Summary)

One project that embodies all of these factors is the rehabilitation of the adjoining Greenpoint and Williamsburg sections of Brooklyn. In May, the City Council approved a rezoning of the area to allow for residential development. Much of the city's waterfront is zoned for manufacturing uses, and a rash of recent rezonings has provided for the creation of apartment buildings instead of warehouses on the properties. The Greenpoint- Williamsburg plan calls for the creation of 54 acres of parks and open space, including a new 28-acre waterfront park. If the city wins the 2012 Olympics, a temporary aquatic center and beach will be constructed in the area, but the waterfront park will be built regardless. In addition, private developers will create nearly 11,000 new apartments, 3,500 of which will be set aside for moderate income residents.

Officials have earmarked capital dollars to expand the Navy yard to accommodate businesses that are pushed out of other waterfront areas. The city has already allocated capital dollars to infrastructure improvements at the Navy yard, and its 10-year capital plan includes \$21 million for initial work on the 500,000 square-foot expansion. Despite its waterfront location, the Navy yard today houses few maritime industries. Currently at 98% capacity, the 300-acre property is filled with construction and manufacturing shops and even a movie studio. Rumor holds that some of the Marlon Brando 1954 classic "On the Waterfront" was filmed at the Navy yard, - long before the recent arrival of Steiner Studios - [David Lowin] said. But in reality, the Navy yard was never a port, but a place where ships were made, docked, and repaired.

Full Text (1205 words)

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For decades, Manhattan was an elegant lady wearing an ugly necklace. The slender island holds some of the world's most expensive real estate, yet it was encircled mainly by a dingy waterfront of crumbling piers and trash-strewn lots.

This picture has started to change. New York City has pledged at least \$367 million of general obligation bond proceeds for riverfront projects in Manhattan and elsewhere over the next 10 years. The projects span each of the city's five boroughs and range from industrial protection to new parks and housing.

While this represents a small fraction of the city's overall capital investment - the mayor's 10-year capital plan recommends spending about \$53 billion of GO and Municipal Water Finance Authority bonds - it is still more than was allocated in previous years, observers say.

The city's borrowed funds will augment a mix of federal and state grants and private money that will dress up shorelines that largely fell into disrepair after shipping activity started to decline along the city's working waterfront in the 1960s. The nonprofit Metropolitan Water Alliance has identified 61 waterfront projects now underway, occupying

more than 1,000 acres of New York City shoreline.

"We're finally doing what we should have been doing for the last 40 years," said City Councilman David Yassky, chair of the council's Committee on Waterfronts.

Several factors have contributed to the current wave of waterfront development. The city's relentless demand for space, both residential and recreational, has pushed development to the water's edge at a time when few inland sites remain free for building.

Unlike many places in the Northeast, New York City has a growing population. Today's 8.13 million residents are expected to grow to 8.5 million by 2010, according to Mitchell Moss, professor of urban policy and planning at New York University's Wagner Graduate School of Public Service. Reclaiming the waterfront will help accommodate that growth. Transforming unproductive land along the waterfront into productive land will improve residents' quality of life and will add to the city's tax base, Moss said. Recognizing this, Mayor Michael R. Bloomberg has made waterfront development a major priority since he took office in 2002.

Of the city's many infrastructure initiatives, "the waterfront is the most exciting ... because it's been neglected for so long," Moss said. Bloomberg has created the conditions necessary for large-scale waterfront revival, Moss added. Moss is an informal adviser to the mayor and worked on his 2001 campaign.

Others agree.

"Bloomberg has been more proactive in addressing the physical needs of the city than any other mayor in maybe a generation," said Carter Craft, director of the Metropolitan Water Alliance.

The city's improving bond rating goes a long way toward making these improvements possible, Moss noted. Standard & Poor's upgraded the city's GO bonds in May to A-plus from A. This new rating is the highest the agency has ever assigned to the city's GO debt, just as the A1 rating that Moody's Investors Service assigned the GOs in April represents that agency's highest ever for the city. Fitch Ratings rates the city's GOs A-plus.

"People around the country understand it's better to buy New York City bonds than General Motors or Ford," Moss said.

New York City's bid to host the 2012 Olympics has also contributed to waterfront initiatives. The bid prompted plans for new sports facilities and open space, many of which will be located on the water. Tomorrow, the International Olympic Committee will choose from among bids from New York City, Paris, London, Madrid, and Moscow for the 2012 Summer Games.

While most of the Olympic facilities would be funded by licensing and other revenue only if New York is selected, the city has pledged some funds towards waterfront projects that will happen regardless of the outcome of tomorrow's vote.

One project that embodies all of these factors is the rehabilitation of the adjoining Greenpoint and Williamsburg sections of Brooklyn. In May, the City Council approved a rezoning of the area to allow for residential development. Much of the city's waterfront is zoned for manufacturing uses, and a rash of recent rezonings has provided for the creation of apartment buildings instead of warehouses on the properties. The Greenpoint-Williamsburg plan calls for the creation of 54 acres of parks and open space, including a new 28-acre waterfront park. If the city wins the 2012 Olympics, a temporary aquatic center and beach will be constructed in the area, but the waterfront park will be built regardless. In addition, private developers will create nearly 11,000 new apartments, 3,500 of which will be set aside for moderate income residents.

The city will contribute \$130 million of capital spending to the plan, which will receive \$1.5 billion in private dollars. Developers' strong interest in waterfront land means the city can sell tax-exempt bonds for infrastructure improvements along the river while being assured that the private sector will follow and make the city's investment worthwhile, said Herman Charbonneau, manager of public finance at Roosevelt & Cross Inc.

"It's a confluence of interest," he said. "There's an opportunity here to get something done." But the city's efforts to beautify its shoreline have also squeezed some of the remaining waterfront businesses, said David Lowin, vice president for planning and development at the Brooklyn Navy Yard Development Corp.

Officials have earmarked capital dollars to expand the Navy yard to accommodate businesses that are pushed out of other waterfront areas. The city has already allocated capital dollars to infrastructure improvements at the Navy yard, and its 10-year capital plan includes \$21 million for initial work on the 500,000 square-foot expansion. Despite its waterfront location, the Navy yard today houses few maritime industries. Currently at 98% capacity, the 300-acre property is filled with construction and manufacturing shops and even a movie studio. Rumor holds that some of the Marlon Brando 1954 classic "On the Waterfront" was filmed at the Navy yard, - long before the recent arrival of Steiner Studios - Lowin said. But in reality, the Navy yard was never a port, but a place where ships were made, docked, and repaired.

Most of the city's remaining active ports are located south of the Navy yard in the Red Hook section of Brooklyn, where workers unload "break bulk" cargo like cocoa, which is not shipped in the containers that helped facilitate the mechanization of much port activity. The Fulton Fish Market is another one of the city's waterfront businesses that no longer relies on the water. In operation at Manhattan's South Street Seaport since 1834, the market received its last shipment by boat in the 1970s. The city plans to move the market to a new, modern facility in the Bronx sometime this year. The shoreline on either side of the South Street Seaport is the site of the city's ambitious East River Waterfront plan, funded mostly by \$150 million of federal money given to help the city recover from the terrorist attacks of Sept. 11, 2001. The plan proposes a revived public esplanade, along with the creation of new commercial, cultural, and community destinations along a 2-mile stretch of waterfront from Battery Park to East River Park.

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