



# WATER STREET

Transforming Water Street's  
Privately Owned Public Spaces (POPS)

Before: 200 Water Street



After: 200 Water Street

Transforming Water Street's POPS

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# EXECUTIVE SUMMARY

**With its 19 million square feet of office space, ready access to public transit, growing residential population, and strategic location between the Financial District and an improved East River waterfront, Water Street has a crucial role to play in the ongoing revitalization of Lower Manhattan.**

In recent years, however, a consensus has emerged that Water Street's public realm—its streets, sidewalks, and plazas—lacks the vitality and design quality that is increasingly essential to attract and retain businesses and to provide a better quality of life to workers and residents. As Water Street transitions from a predominantly office-use corridor with a tenant base reliant on finance and business services to a mixed-use corridor with a more diverse network of smaller media and technology oriented firms, its underperforming public realm poses a risk to the district's long-term competitiveness.

In Summer 2013, the New York City Department of City Planning (DCP) and the New York City Economic Development Corporation (NYCEDC), in collaboration with the Alliance for Downtown New York (ADNY) and Water Street property owners, launched the Water Street POPS Upgrades Initiative. The initiative sought to encourage and facilitate the transformation of the corridor's privately owned public spaces (POPS) into an improved network of public spaces that enhances the district and creates value for property owners, businesses, residents, and the general public.

A consultant team that included Beyer Blinder Belle Architects & Planners, Mathews Nielsen Landscape Architects, and HR&A Advisors, helped develop design concepts for comprehensive upgrades to Water Street's POPS and retail spaces. The team also evaluated the financial feasibility of implementing those concepts from a property owner's perspective. The study's recommendations and findings were presented to Water Street stakeholders in November 2013.

The findings, which are summarized below, have helped inform policy discussions that seek to define a clear and straightforward regulatory path to facilitate privately-driven POPS upgrades in the near future:

- POPS play a very large role in determining the character, feel, and perception of Water Street.
- Water Street is composed of three distinct "activity clusters," each with its own unique identity and function.
- Based on their location within those clusters, POPS can serve a specific role that contributes to an enhanced overall vision and experience of Water Street.
- A toolbox of design strategies can be utilized to define the role of each POPS.
- POPS upgrades are financially feasible over the long term and can unlock value for building owners and tenants.
- Implementing the envisioned upgrades will require a proactive zoning change to facilitate certain design strategies such as targeted retail infill



# INTRODUCTION

**Between the historic Battery Park and South Street Seaport lies Water Street, Lower Manhattan’s most important commercial corridor. Once the heart of the New York City waterfront, Water Street has strong access to public transit and is home to over 70,000 employees, a growing residential population, and a generous amount of open space.**

Despite the concentration of prime office space and the abundance of public space, Water Street lacks the vibrancy that is typical of other commercial corridors in New York City. The high quantity of public space lacking useful amenities and the discontinuity in ground floor retail have failed to support the active street life originally envisioned for the corridor. Many of the street’s public spaces—privately owned public spaces (POPS)—were the result of early planning efforts to encourage large-scale development along Water Street. Given the concentration of POPS along Water Street, improvements to those spaces could help establish a stronger identity for the corridor, enhance the pedestrian experience, and create additional destinations for residents, workers, and visitors alike.

## Background

Since 1660, the island of Manhattan has expanded through the infill of the East and Hudson Rivers. Water Street once marked the eastern edge of Lower Manhattan and was lined with piers that made it a center of New York City’s maritime activity.

During the 1950s, Water Street’s warehousing and industrial buildings were increasingly obsolete and the corridor began to shift towards a concentration of administrative and accounting activities related to the Financial District. In the late 1950s, Water Street was widened to relieve the traffic congestion brought about by the opening of the Brooklyn

Battery Tunnel (1950) and to facilitate large-scale development. This change also made Water Street an obvious route for carrying the Second Avenue Subway into the heart of Lower Manhattan.

The large parcels that resulted from the widening of Water Street and the adoption of a new Zoning Resolution in 1961 facilitated the construction of monumental office buildings generously surrounded by open space. These buildings constitute the core of the approximately 19 million square feet of office space that exists along Water Street today.

The 1961 zoning allowed developers to construct buildings with more floor area than would normally be allowed if public spaces—primarily plazas and arcades—were created at the base of their new buildings. Plazas are public spaces that are open and exposed to the sky. No amenities within the plazas were required under the 1961 zoning. Arcades are covered areas along a building front that are free of obstructions and were intended to provide a covered, continuous circulation path along the entirety of Water Street. Today, all of these privately owned public spaces comprise over 7.25 acres of open space between Fulton and Whitehall Streets.



# WATER STREET STRATEGY

## **The Water Street POPS Upgrades Initiative follows other public and private efforts to improve this key Lower Manhattan corridor.**

In 2010, the Alliance for Downtown New York (ADNY) released a vision plan titled “Water Street: A New Approach” that proposed recommendations to sustain Water Street’s competitiveness by enhancing its public realm. Several of those recommendations focused on incentivizing building owners along Water Street to improve the POPS and ground floors of their buildings.

In 2011, DCP facilitated a zoning text amendment to allow tables and chairs within existing arcades. The text amendment served as one tool to create the opportunity for activities that could draw pedestrians onto Water Street and improve its vitality. Several building owners have taken advantage of this provision since its adoption.

In Summer 2013, NYCEDC launched the event series Water Street Pops! to enliven POPS along the corridor. In order to facilitate the series, DCP initiated a zoning text amendment that allowed the Water Street POPS to be actively programmed until the end of 2013. The series, which took place in the summer

and winter, brought public events, art, and activities to the POPS. In the wake of Hurricane Sandy, the event series played a critical part in bringing new attention and energy to the corridor, one of the areas hardest hit by the storm. The summer event series was comprised of approximately 200 events in different POPS along the corridor and engaged more than 55,000 attendees.

Also in Summer 2013, the NYC Department of Transportation (DOT) implemented targeted improvements to make Water Street safer and more welcoming to pedestrians. The improvements included the expansion of the Whitehall Street DOT plaza, the closing of Coenties Slip to vehicular traffic, the closing of a portion of Gouverneur Lane, and improved crossings at key intersections. The expansion and addition of new pedestrianized areas created new opportunities for seating and respite and also strengthened existing pedestrian pathways between the ferries, subways, and destinations in and around Water Street.

That same year, NYCEDC concluded a feasibility study for improvements to build on DOT’s work and to further enhance the pedestrian experience along Water Street’s sidewalks and intersections. The study recommended conceptual designs for DOT plazas at Whitehall Street, Coenties Slip, and Gouverneur Lane that focused on increased pedestrian safety and public spaces rich in amenities. The study also proposed bioswales in key points along the Water Street corridor to improve storm water retention and to compensate for the lack of adequate planting. In December 2013, NYCEDC issued a request for proposals for comprehensive design services to advance the improvements identified in the feasibility study. The design process is expected to start in late 2014.

Currently, DOT is implementing interim and longer-term wayfinding improvements to create a more vibrant, visually-cohesive, pedestrian-friendly Water Street. This initiative will add new wayfinding signs, benches, and lighting installations along Water Street.



**LOWER MANHATTAN:**  
Water Street runs between historic  
Battery Park and South Street Seaport.



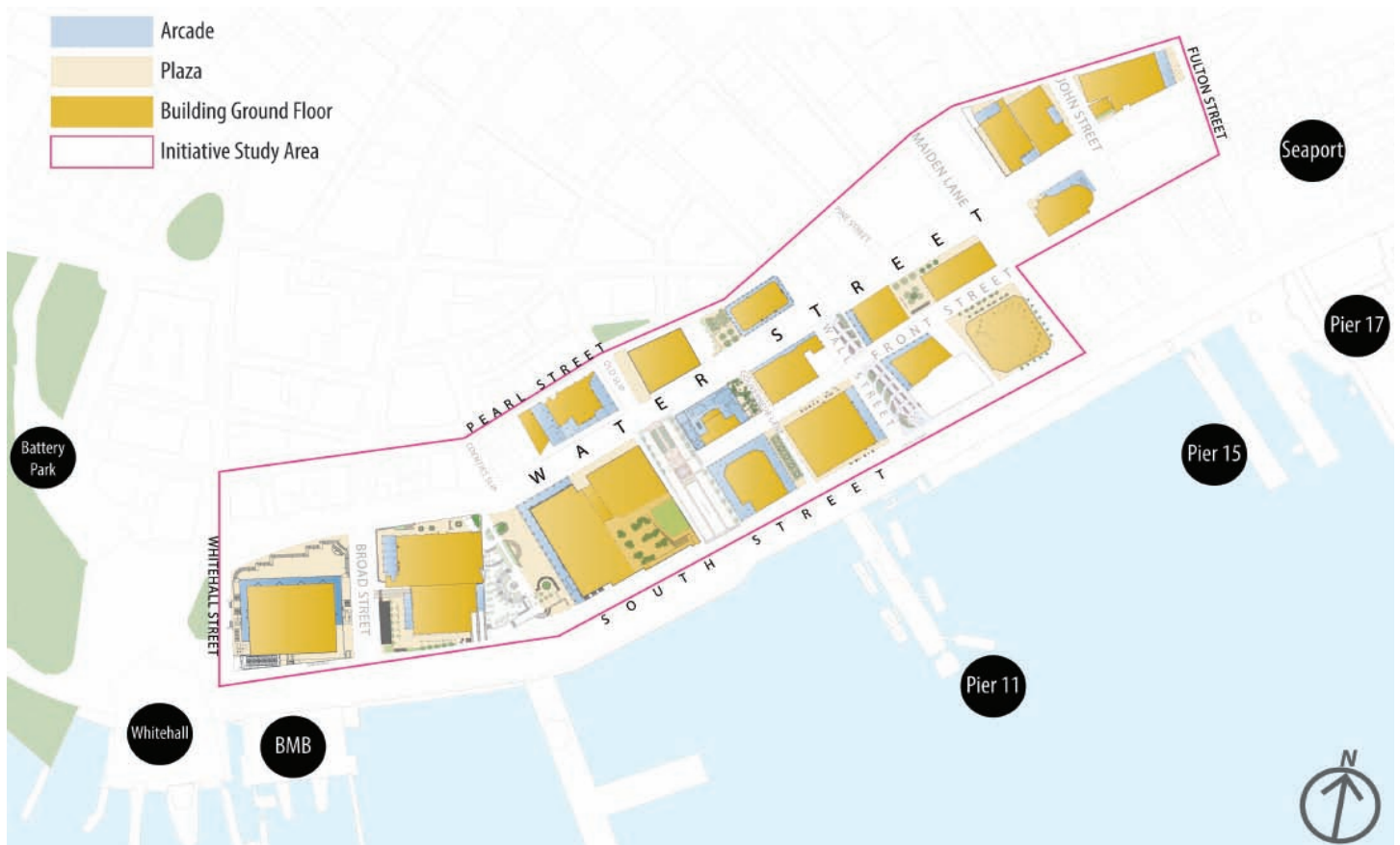
# POPS UPGRADES STUDY

**In recognition of the critical role that POPS play in determining the character and perception of Water Street, DCP and NYCEDC launched the Water Street POPS Upgrades Initiative in Summer 2013.**

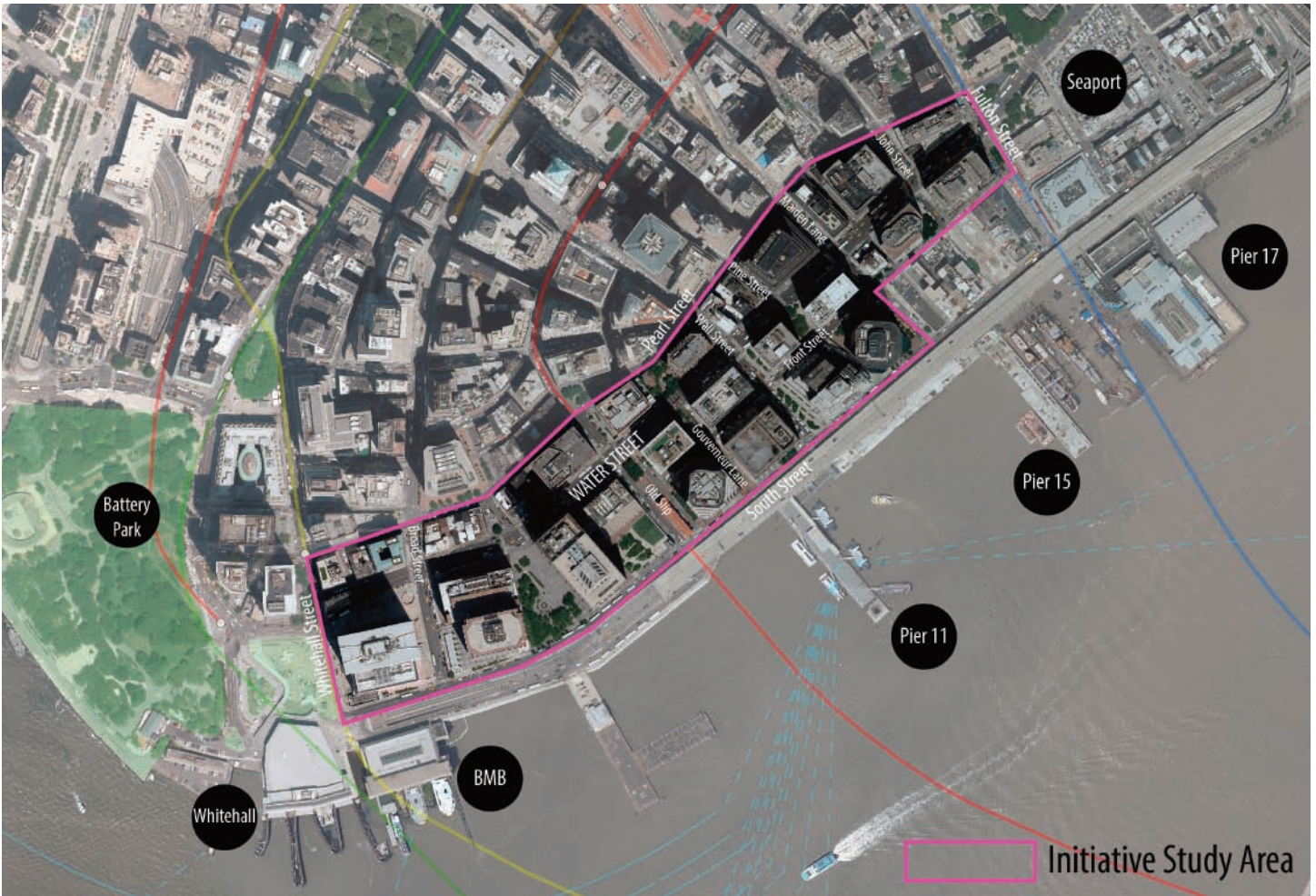
The goal of the Upgrades Initiative (the “Study”) was to develop design guidelines and an implementation strategy for comprehensive upgrades to Water Street’s POPS and building ground floors. The Study focused on the area generally bounded by Fulton, South,

Whitehall, and Pearl Streets, within which there are 19 buildings with one or more privately owned public spaces. The POPS, which together make up over 7.25 acres, present the largest opportunity for improving the pedestrian experience along the street.

A consultant team of Beyer Blinder Belle Architects & Planners, Mathews Nielsen Landscape Architects, and HR&A Advisors was engaged to provide essential expertise in urban design, construction, and real estate.







The Study began by developing a framework for understanding the role and function of individual POPS based on their location within the district. The project team selected five case study locations that represented the wide variety of plazas and arcades found along Water Street and developed a toolbox of practical design strategies that could be employed selectively to improve any POPS. The consultants then analyzed the potential costs and benefits of implementing these types of upgrades to offer insight into the financial benefit of upgrading underperforming public spaces and improving existing retail spaces. Throughout the Study, ADNY and individual property owners provided valuable feedback that helped the consultant team refine their recommendations to better reflect the particular challenges facing Water Street.

### Improvement Strategies

- Enhance Water Street’s public realm by reimagining the form and function of the privately owned public spaces along the corridor.
- Reactivate Water Street’s retail offer to meet the demands of the corridor’s changing demographic and urban function.
- Build on other public and private efforts to improve Water Street and Lower Manhattan.

# Vision & Approach

## Vision

Strong partnerships among the City, property owners, ADNY, and other key community stakeholders will position Water Street as a thriving destination of choice not only for a robust and diversified business base, but also for residents and visitors.

A world-class building stock will continue to anchor this destination, which will become more competitive and valuable thanks to an attractive public realm.

Two mutually-complementary elements will define this public realm and strengthen Water Street's district identity:

1. A well-planted streetscape that shifts the corridor's role from a vehicular thoroughfare to a safe, pedestrian-friendly street.
2. Attractive and useful privately owned public spaces that provide new opportunities to shop, work, socialize, and relax.

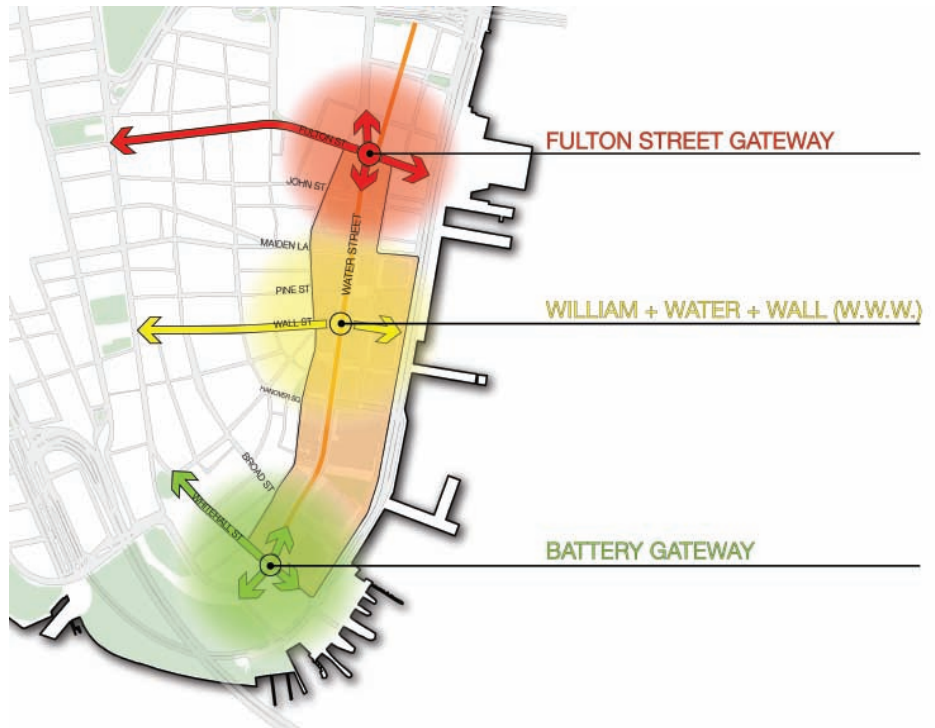
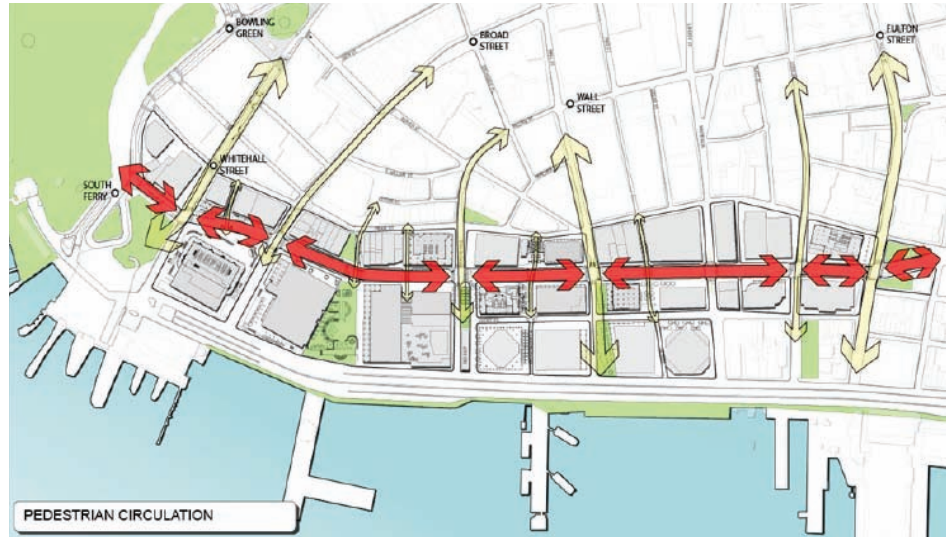
Together, these elements will create new nodes of public activity that combine lighting, art, seating, and landscaped features that foster a sense of vibrancy and discovery along Water Street.

## Approach

Despite the high concentration of office workers along Water Street, the Study showed that Water Street does not function as a strong north-south connector for pedestrians. Instead, the pedestrian patterns revealed that evidence of active street life corresponded with the intersection of Water Street and major east-west movements. These intersections are key anchors and destinations along Water Street.

The three intersections—Fulton Street, Wall Street, and Whitehall Street—mark the micro center of “clusters” where the ground floor uses, pedestrian activities, location of building walls, and their relationship to adjacent public spaces together create a pedestrian experience that varies from one cluster to another.

Reinventing the entire corridor of Water Street to transform it into a cohesive and distinct avenue may be too tremendous a task at this point, but strengthening the identity of each cluster through improvements in the public spaces and strategic retail infill could contribute to an overall revived identity for Water Street.



## Design Tools

In developing the design approaches for each of the clusters, four basic design tools were used to guide recommendations: Landscape, Visual Icons, Collaboration, and Retail. These tools are inherent in many of the public spaces typical of the high density, commercial areas of Manhattan and have proven successful when implemented together.

### Landscape

Plantings, such as trees, perennials, and groundcover, can soften a space and make it more welcoming. Seating is an important public amenity to create useful and meaningful public spaces. Lighting allows around-the-clock activation of a space, as well as improved safety. Quality materials for paving and furnishings contribute to the visual and physical comfort of a space.

### Visual Icons

Signage, artwork, interactive installations, and other visual markers help strengthen the identity of a place. Distinctive artwork and landmarks can define a place and create more interest around it.

### Collaboration

Public space can serve as a setting for informal meetings and group work. Landscape furnishings such as seating, kiosks, and plantings can be arranged in such a way as to encourage social interaction and collaboration. Wireless connectivity can also enable such spaces to become meeting places beyond 9am to 5pm.

### Retail

Active and transparent retail at the ground floor can increase foot traffic and draw people into POPS. Kiosks and targeted infill of arcades with retail can create new shopping and dining opportunities that attract residents, workers, and visitors alike to Water Street.



## GATEWAYS: FULTON STREET GATEWAY

The Fulton Street Gateway marks the northern end of Water Street, at the crossroads of the Fulton Street retail corridor and the South Street Seaport.

This intersection is a natural gateway to Water Street, but pedestrian movements are stronger moving east-west between the Fulton Transit Center and the Seaport waterfront. A goal of this gateway is to build on the strong retail character along Fulton Street and in the Seaport area by creating more opportunities for retail and dining experiences that invite people onto Water Street.

The buildings in the Fulton Gateway that contain one or more POPS are:

- 200 Water Street
- 180 Water Street
- 160 Water Street
- 175 Water Street



Before: 200 Water Street



## Case Study: 200 Water Street

### Existing Condition

The public spaces at 200 Water Street, the majority of which front on Fulton Street, serve as the visual and physical transition between Fulton Street, Water Street, and the South Street Seaport. Moving east along Fulton Street, the wide view afforded by the approximately 3,000-square-foot double-height arcade and the 4,000-square-foot plaza offer a clear visual connection to the Seaport and the first sight of Water Street. The strategic location of these spaces offers a tremendous amount of potential for them to serve as the true marker of Water Street.

### The Opportunity

The arcade presents an opportunity to bring the existing retail space closer to the street and extend the retail continuity along the south side of Fulton Street. The existing ground floor space is set back from the already wide sidewalk/plaza, creating a “break” in the street wall and retail experience along this last segment of Fulton Street. Partial infill of the arcade would allow for a more gradual opening of the views to the waterfront, and by keeping the two eastern-most arcade bays open, the most critical visual and physical connection onto Water Street could be maintained. New retail could be transparent and active to animate and enliven the streetscape. Artwork could serve as a visual marker of the Gateway and wayfinding signage could lead pedestrians down Water Street and describe the amenities the street has to offer.

As one of the more high-trafficked locations in the study area, a goal for this site would be to maintain existing east-west circulation paths while encouraging circulation to and from Water Street. Pedestrians moving east along Fulton Street tend to cut under the easternmost bays of the arcade, so partial infill could maintain this critical path and accommodate additional movements in the future.

The Fulton Street plaza could be upgraded to offer amenities to passersby and to strengthen the relationship to the new and active retail. A variety of seating could be provided for weary shoppers, people meeting at the corner, and café patrons. Strategic planting could soften the streetscape while also balancing the goal of maintaining circulation. Improved lighting could announce the gateway, encourage evening visitors, and draw people further down Water Street.

### After: 200 Water Street



# GATEWAYS: WILLIAM-WATER-WALL STREET GATEWAY

The William-Water-Wall (WWW) node represents the area containing a diversity of public space types, characters, and scales that lends itself to a variety of experiences.

The growing residential population to the west meets the established commercial character to the east, creating an area of activity that extends beyond the normal work hours and into the weekend. Wall Street serves as a strong pedestrian connection between the financial core and the waterfront, and the highest concentration of public space along Water Street exists at this node. A goal for this node is to build upon the diversity of public space experiences and to encourage activity beyond normal working hours and throughout the year. Given the many public space types and configurations, each space has the potential to contribute, in its own way, to the identity of an area that encourages meeting, collaboration, and fun.

The buildings in the WWW Gateway that contain one or more POPS are:

- 88 Pine Street
- 75 Wall Street
- 10 Hanover Square
- 7 Hanover Square
- 100 Wall Street
- 95 Wall Street
- 77 Water Street
- 55 Water Street
- 110 Wall Street
- 111 Wall Street
- 32 Old Slip



## Before: 77 Water Street



## Case Study: 77 Water Street

### Existing Condition

The tree-filled plaza at 77 Water Street serves as a key open space link for pedestrians moving between the ferry and water taxi service at Pier 11 and the 2/3 train at Wall Street. The arcade at 77 Water Street has long been a unique space along the street, but, despite its generous size, the space is only lightly used by the public and primarily serves as a pass-through for tenants entering the building lobby. Many elements of the arcade continue to provide a whimsical feel, but in recent years the arcade's moat, which was once a defining feature of the space, has been reduced to a waterless feature.

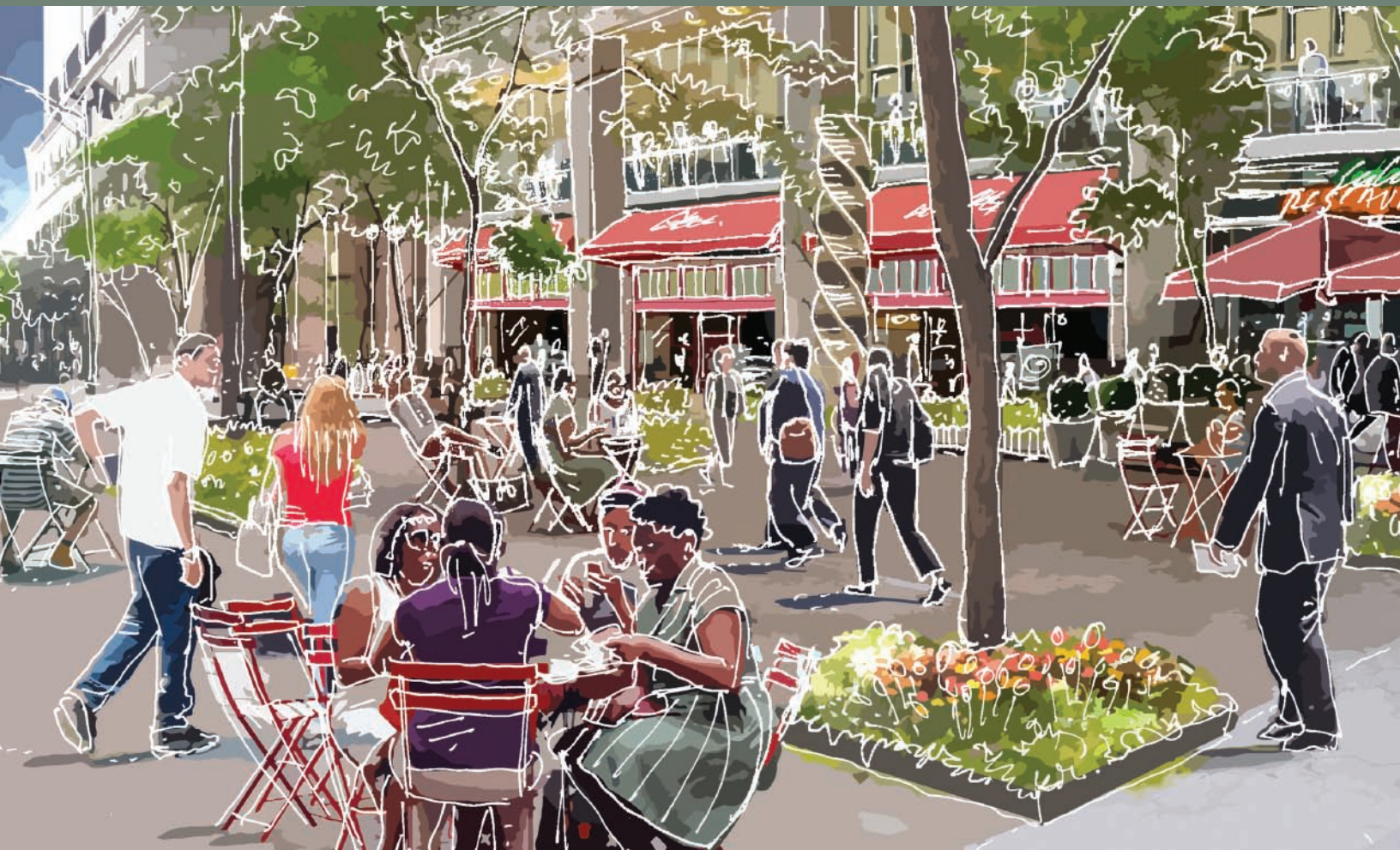
### The Opportunity

The depth and scale of the arcade provides an opportunity for a redesign to maintain the "living room" feel in a sheltered, open-air space that can be programmed as actively as a plaza. Retail kiosks within the arcade could enliven the interior, and social, café-like seating could serve a wide range of users throughout the day. Enclosure of all or a portion of the arcade with new, transparent building walls could create an exciting climate-controlled public space that would be active year-round.

The plaza, already well-used in the warmer months, could be improved through additional landscaping and seating and with programming such as food markets. If Gouverneur Lane remains pedestrian-only, the plaza, street bed, and sidewalk could complement one another in programming and design.

Given the building's central location on Water Street, the public spaces may serve as an ideal meeting point for working and eating during the daytime and early evening hours. With new lighting, art, multiple seating types, and retail spaces, the arcade could become a neighborhood destination for dining and entertainment in the evenings.

### After: 77 Water Street



## GATEWAYS: BATTERY GATEWAY

The Battery Gateway marks the beginning of Water Street at its southern end, at the confluence of State Street, Battery Park, Peter Minuit Plaza, and Water Street.

The gateway is filled with open spaces connecting one another from Bowling Green to Water Street. Pedestrian activity is high, with movement from the Whitehall Ferry Terminal, South Ferry 1 train, Whitehall Street R train, and Bowling Green 4/5 trains to destinations in and around Water Street and the Battery. The open spaces on Water Street at this node flank both sides of the street, but provide very limited planting—in stark contrast to the plentiful landscaping found at Battery Park. The opportunity presents itself to continue this green connection across Whitehall Street and onto Water Street in the reimagining of the public spaces in this node.

The buildings in the Battery Gateway that contain one or more POPS are:

- 1 New York Plaza
- 2 New York Plaza
- 4 New York Plaza

Other open spaces include:

- Battery Park (DPR)
- Peter Minuit Plaza (DOT)
- Whitehall Plaza (DOT)
- 1 State Street (POPS)
- Vietnam Veterans Memorial Plaza (DPR)



### Before: 1 New York Plaza





## Case Study: 1 New York Plaza

### Existing Condition

The monumental building at 1 New York Plaza, recognizable in any photograph of the Lower Manhattan skyline, has an equally-unavoidable and expansive plaza at its base. Over 20,000 square feet of the plaza area fronts on Water Street, but this area mostly serves as a pass-through for tenants entering and exiting the building lobby. The existing grade change discourages use of the plaza as a pedestrian pathway to sites further north along Water Street, although the front building wall location and widening plaza do open views on to Water Street from the south and to the Battery from the north.

### The Opportunity

The sizable scale of the plaza at 1 New York Plaza offers potential as a space for passive recreational use and improved linkage to sites further north. The grade change could be mediated through the leveling of a portion of the plaza and gradual ramping to the lobby level. Trees and ground plane planting could be plentiful, which would help soften the existing hardscape and establish a sense of human scale in such a large space. A new retail pavilion in the space could serve as both a visual marker of the gateway and a prominent entrance to the shops below. Seating—both moveable and fixed—could be provided, with the possibility of the new retail pavilion serving as a seating pedestal similar to the TKTS booth in Times Square. The space, given its size and convenient access, could be programmed to host a variety of public events.

### After: 1 New York Plaza



# Financial Analysis

**The Study included a high-level financial analysis to understand the value property owners could realize by improving the POPS and ground floors in their buildings and enhancing the pedestrian experience on Water Street.**

## Market Profile

Through a market scan of the retail profile in Lower Manhattan and Water Street, the Study found that retail rents on Water Street are lower than comparable spaces in Downtown and other Manhattan submarkets. As of July 2013, average asking rents in the Water Street area were \$153 PSF compared to \$251 PSF for the rest of Lower Manhattan. Effective rents averaged \$130 PSF.

Fast food and office-serving retail occupy over 60% of spaces. Conversations with property owners and brokers indicated a demand for more diverse retail such as specialty food service, upscale restaurants, and a grocery store.

## Retail Context

Today, the retail landscape along Water Street is primarily defined by spaces with large, often irregularly-shaped footprints and some national/regional chain tenants. Property owners and real estate brokers observe a demand for more diverse retail options that cater to the influx of new residents to the area. The corridor lacks small commercial spaces (< 2,000 SF) appropriate for the unique retail, food, and other uses that could populate the infill opportunities identified in this Study.

The Study found that property owners on Water Street see an opportunity to transform the area into a destination for Lower Manhattan residents and workers. The area has notable assets given its proximity to the waterfront, a large, daytime office-worker population, and a growing residential

population. However, it suffers from limited activity after hours and underutilized POPS.

In keeping with the character and urban function of each of the activity clusters described in the Study, new retail space and programming should capitalize on views and open spaces in the Battery Gateway area, the increasingly mixed residential and office population in the William-Water-Wall hub, the tourist flow and retail connections to the South Street Seaport in the Fulton Gateway area, and, across the corridor, pedestrian traffic to/from the ferries and subways. Human-scaled and street-level engagement should be the center of all new retail design along the entire corridor.

## Impact of Open Space

A review of previous studies on the benefits of improving open space adjacent to commercial buildings demonstrated that well-programmed and active open space has a positive impact on rents, vacancy, and tenant quality in adjacent real estate. However, these impacts range greatly and are highly dependent on the acreage, design, and programming of the space. The Study found that the positive benefits of adjacent open space can be enhanced by linking POPS improvements to other capital projects, such as lobby renovations and other building repositioning initiatives, and that such upgrades should be implemented in advance of significant anticipated leasing activity over the next 10-15 years.

## Financial Feasibility

The Study included a high-level financial analysis for five selected properties and POPS improvement concepts. The analysis estimated the potential return on investment from POPS renovation, utilizing cost estimates and design schemes generated by the consultant team.

The analysis showed that new retail revenue from a single lease period (typically ten years) cannot fully support the cost of extensive retail renovations. However, renovations are financially feasible as a longer term investment for most properties.

Financial feasibility varies greatly depending on the cost of the selected design. For example, retail can be incorporated into the existing building envelope in some properties while others require a more costly stand-alone pavilion. While extensive retail renovations are not financially viable over the short term, renovated retail may create additional value by providing an amenity for adjacent office space and supporting the rebranding of Water Street.

# NEXT STEPS

**The comprehensive upgrades to the building ground floors and POPS envisioned by the City will require changes to the Zoning Resolution.** Regulations governing floor area and design requirements for plazas and arcades would need to be modified to facilitate many of the improvements outlined in this Study.

In developing such modifications, DCP looks to partner with building owners who could initiate projects that enhance the streetscape and pedestrian realm. Those projects would also move concurrently with the public review of the proposed new zoning regulations. Owners are invited to share their ideas at any stage of the design or development process to help inform DCP's proposal. It is expected that public review of proposed zoning changes would commence in 2015.





Before: 7 Hanover Place



After: 7 Hanover Place

Transforming Water Street's POPS

