

REDAC UPDATE

June 2026

GROUND LEASES OVERVIEW

What is a ground lease?

- The City of New York initially leased the most of the land on Roosevelt Island to RIOC through 2068.
- RIOC subleased the land to building owners for development and ongoing management of all buildings.
- Ground rent, a key component set forth in the leases, compensates RIOC for the value of the land.
- RIOC has a fiduciary duty to receive an appropriate value for the property, a public asset, while maintaining the neighborhood for residents, visitors, workers, and students.



Key Components of Ground Leases

The structure of ground leases vary by building. Leases have a range of components that may be present, depending on the building, that include:

- Ground Rent: Payment for leasing the land from RIOC
- Tax Equivalency Payments: In lieu of real estate taxes
- Transaction Fees: For refinancings, building sales, condo unit sales, and other transactions.
- Conversion Payments and Re-Sale Payments in some buildings converted to condominium status.
- Public Safety Reimbursement Fee: To help fund the Public Safety Department
- Bus Fee: To help fund the Red Bus service
- Island Services and Community Facility Fees: To support the provision of RIOC operations on the island, such as parks maintenance, sanitation, and other services. Currently not collected.

Variations in Ground Leases

Because ground leases were established at different times and buildings differ in size and affordability, their obligations differ depending on the building. For example:

- Some buildings paid ground rent in a lump sum at the beginning of the lease while others pay a monthly ground rent.
- Some buildings pay a tax equivalency payment (TEP) while others do not (largely to incentivize affordable housing). For the original WIRE buildings, TEP goes directly to ESD under a prior agreement.
- Only two buildings, Manhattan Park and Octagon, pay a fee specifically allocated to bus services. Bus charges may be included in other leases as an "Island Service."
- Affordable housing requirements vary by building.
- Provisions for how ground rent is escalated is a periodic market-based formula for some, a prescriptive step-up percentage for others, and specified rent escalations for others.

RIOC Buildings

Building	Owner	Units	% Aff	FY26 Ground Rent (\$000s)	FY26 TEP
Island House	IH Preservation Partners	400	81%	\$286	N/A – Goes directly to ESD
Manhattan Park	RI Associates / Starrett	1,107	20%	\$8,086	\$0
Octagon	MEPT Octagon LLC	501	20%	\$0	\$0
Rivercross	Rivercross Tenants Corp.	377	69%	\$2,609	N/A – Goes directly to ESD
Roosevelt Landings	Roosevelt Landings Owner LLC	1,003	68%	\$2,320	N/A – Goes directly to ESD
Westview	WV Preservation Partners	361	92%	\$333	N/A – Goes directly to ESD
475 Main Street	Memorial Sloan Kettering	255	70%	\$0	\$0
465 Main Street	Weill Cornell	136	66%	\$0	\$0

RIOC Buildings (continued)

Building	Owner	Units	% Aff	FY26 Ground Rent	FY26 TEP
Riverwalk Pl.	Condominium owners	230	25%	\$0	\$0
Riverwalk Landing	Condominium owners	216	44%	\$0	\$0
Riverwalk Court	Condominium owners	123	2%	\$798	\$1,145
Riverwalk Crossing	Hudson Related Companies	242	22%	\$1,217	\$1,754
Riverwalk Point	Hudson Related Companies	266	27%	\$961	\$202
Riverwalk Park	Hudson Related Companies	341	100%	\$663	\$240
Riverwalk Heights	Hudson Related Companies	364	0%	\$997	\$189

Master Lease Extension Impact

- In December, RIOC and the City of New York extended the term of the master lease agreement by 10 years to 2078
- The extension provides greater certainty that can also help with building and homeowner financing
- Building owners may enter into negotiations with RIOC to extend the term of their ground leases
- With the exception of Westview and Island House, no building has a right to negotiate an extension prior to 2068, but RIOC is willing to consider these extensions because of their benefit to the community
- Key priorities for RIOC include fiscal responsibility, certainty, and extended affordability protections

Next Steps

- Building owners submit proposals for 10-year lease extensions
- RIOC evaluates proposals for fiscal responsibility, affordable housing protections, and other considerations.
- RIOC develops counterproposals and negotiates with building owners.
- Any ground lease amendments must be approved by the RIOC Board of Directors.
- For buildings with a near-term rent reset formula, RIOC will work with the building owner to calculate the new ground rent in accordance with procedures set forth in the ground lease.
- In parallel, RIOC will review requests for approval of refinancings and building sales, and approve as appropriate.

Important Note

- Per New York State Commission on Ethics and Lobbying in Government, RIOCB Board Members must recuse themselves from any actions pertaining to a property in which they have an interest.

COMMERCIAL RENT OVERVIEW

Commercial Rent Reset

- In 2011, RIOC entered into an agreement with Hudson Related to maintain 34 retail spaces along Main Street (does not include those in Westview).
- The agreement was set forth through a public RFP process.
- The term is for 30 years, with an option to extend it another 10 years. Renewal Notice by Hudson Related must not be earlier than 24 months prior to the Expiration Date, nor later than 18 months prior to the Expiration Date.
- Hudson Related pays rent according to a set schedule.
 - The FY26 rent was \$1,073,790.
 - The rent escalates at 2.5% per year.
 - There are provisions for additional participation rent after certain thresholds are met.
 - In August 2026, the rent must be recalculated in accordance with the ground lease. The rent will reset to 6% of the current land cost for comparable space in New York City.

WEST SIDE INFRASTRUCTURE

West Side Infrastructure



★ Tram Waterfront Open Space
★ Eleanor's Pier

This aerial photograph shows the West Side of New York City, with the Hudson River to the north and the Harlem River to the south. The West Side Highway (I-278) runs diagonally across the image. The area between the river and the highway is highlighted with a semi-transparent green overlay. Two green stars mark specific locations: one near the top left, labeled 'Tram Waterfront Open Space' and 'Eleanor's Pier', and another further down, labeled 'The Prow' and 'West Side Pier'. The surrounding urban landscape is visible, including various buildings, parks, and industrial areas.

★ The Prow
★ West Side Pier



TRAM WATERFRONT OPEN SPACE

Tram Waterfront Open Space

Existing Conditions:

- Largely dirt/grass slope, subject to erosion and runoff
- Location of existing gas, telecom and other utilities
- Has become a popular makeshift seating and gathering area due to its views and proximity to the water.

Opportunities:

- Create more formalized seating with benches/tables
- Create casual gathering space with benches, or tiered seating
- Shore up existing hill to prevent runoff and future erosion

Challenges:

- Navigation around existing utilities.
- Providing universal and ADA accessibility due to slope
- Cost considerations



Tram Waterfront Open Space Ideas

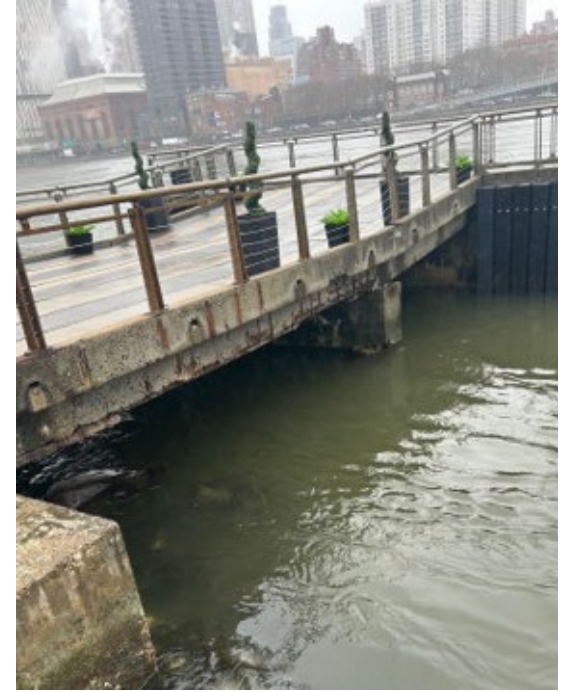
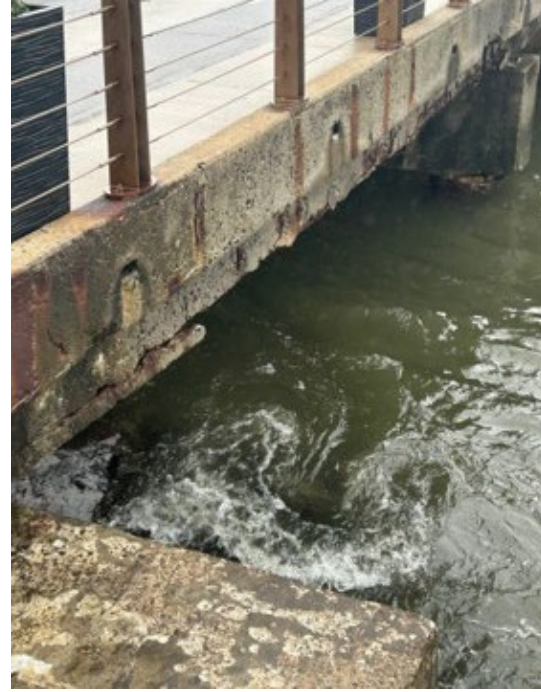


Clockwise from left: Wagner Park, Battery Park City;
The Battery Coastal Resilience, The Battery;
East River Greenway, Midtown East; NYP Columbia University.



Tram Waterfront Open Space Questions

- How do you see people using the space ? How do you use this space?
- What, if any, type of seating would you like to see in this area?
- Do you think this area would benefit from additional lighting and plantings?
- What other cosmetic changes do you think would benefit this area?
- Do you think this area requires improved pedestrian enhancements?



WEST SIDE PIER

West Side Pier

Existing Conditions:

- Pier was built in 1995 and currently has two areas of structural collapse.

Opportunities:

- Redesign the pier to better serve residents.
- Remove the pier, create an aquaculture feature in the river and invest in improving the waterfront area.

Challenges:

- Repair or reconstruction will require significant investment.
- Pier falls within a complex jurisdictional area and DEP, DEC and the Army Corps of Engineers will ultimately dictate what can be done in terms of repair/reconstruction.
- In-water work is restricted to certain times of year.



Pier Adjacent Open Space Enhancements

Existing Conditions:

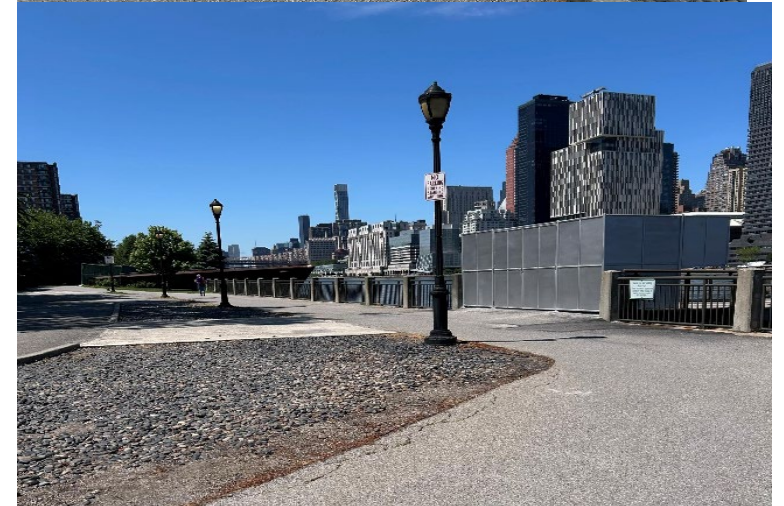
- Mix of asphalt and graveled surfaces, limited landscaping, no seating.

Opportunities:

- Enhance paved areas by increasing greenery.
- Improve lighting and seating.
- Explore adding bike lane access.
- Create programmatic areas.

Challenges:

- Cost considerations



West Side Pier and Adjacent Open Space Questions

- How do you see people using the space ? How do you use this space?
- Do you use the pier? If so, what improvements would you like to see?
- What, if any, type of seating would you like to see in this area?
- Do you think this area would benefit from additional lighting and plantings?
- What other cosmetic changes do you think would benefit this area?
- Do you think this area requires improved pedestrian enhancements?



THE PROW

The Prow Update

Project Phase: Design

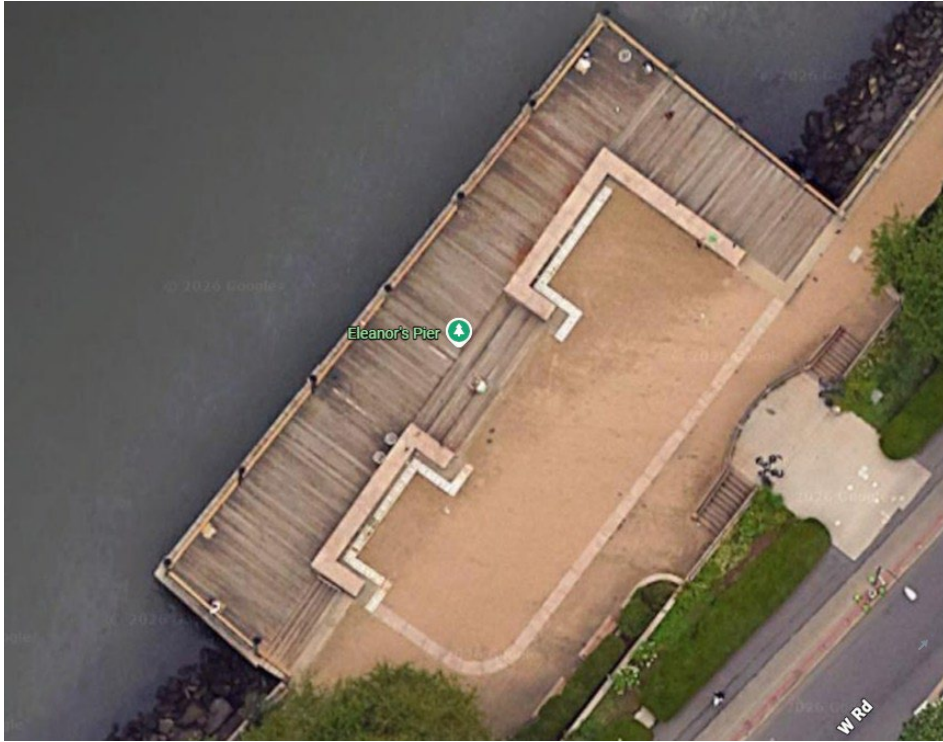
Anticipated Design Completion: August

*The project schedule may be adjusted based upon the decisions regarding the West Side Pier to allow for both projects to be RFP'd as a single package.

Next Steps: Geotechnical probing of the soil and foundation will be completed to determine ground conditions and ensure the new foundation can safely support the loads. The study will provide foundation recommendations, including any special measures needed to address soil and settlement at the site.

Challenges:

- Repair will require a significant investment.
- Pier falls within a complex jurisdictional area and DEP, DEC and the Army Corps of Engineers will ultimately dictate what can be done in terms of repair.
- In-water work is restricted to certain times of year.



ELEANOR'S PIER

Eleanor's Pier Update

- Responses received May 6, 2026, and Dockhand Services LLC selected to complete work
- The total project cost is \$1.3M and will be presented to RIOC Board of Directors on June 23rd for approval. RIOC would like to thank Senator Krueger for providing a \$617k grant towards the project.
- Once approved, RIOC will direct the contractor to mobilize and begin work quickly on any construction activities that can proceed while the necessary permits are obtained.

Next Steps

- West Side Waterfront Walk Shop: Week of July 6th
- Engagement Survey:



TRAM CAR IDEAS

What We Heard – Rehabbing the Old Tram Cabins

- Over 150 idea submissions
- Most people want to keep them on Roosevelt Island and accessible to the public
 - Locate them near the Tram Plaza, in a park, or other highly visible location
 - Celebrate the Tram's history and significance
 - Activate public space through new programming and amenities

Common Ideas Submitted

- Café, coffee shop, or food-and-beverage destination
- Tram history exhibit or museum space
- Playground equipment
- Public art and cultural programming venue
- Community gathering and event space
- Other creative concepts, including gardens, observation areas, and educational installations







Preliminary Next Steps

- RIOC review of submissions: June – July
- Share a subset for public comment: August – September
- Identify preferred use(s): October – November
- Develop an implementation plan and budget: December – February
- Begin mobilizing for adaptive reuse: March - ?

Note: Timeline depends on feasibility

What considerations do you think RIOC should keep in mind when exploring a new use for the old tram cars?

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