



South Street Seaport, Now and Then

The makeover of the historic South Street Seaport by Howard Hughes gave it life, but did it ignore its history?

BY [CHAVA GOURARIE](#) MARCH 10, 2020 4:58 PM



RENDERINGS FOR 250 WATER STREET. PHOTO: SOM

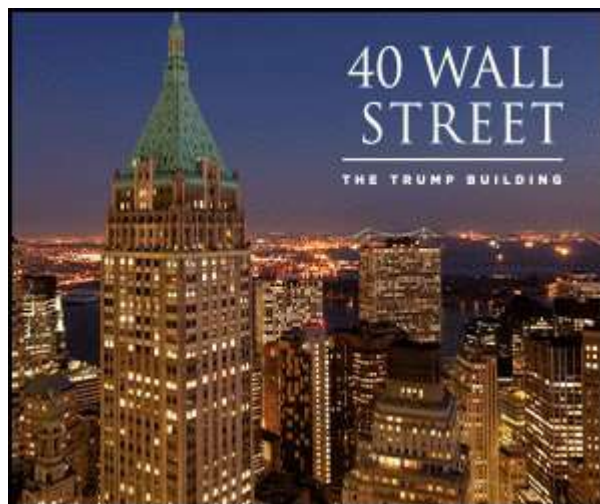


When the Dutch first arrived at the island of Manhattan in the 1600s, they found a spot along the eastern river, near the southern tip of the island, where the land met the sea. It was perfect for mooring their boats, moving their goods, and ferrying to and from the landmass across the river.

SEE ALSO: [Javits Center, Brooklyn Nursing Home To Become Temporary Hospital Sites in NYC](#)

And that's how Manhattan's story begins.

The area, now known as the South Street Seaport, quickly became the most active port in the nation. Import and export businesses cropped up around the waterfront, hotels and rooming houses were built for travelers and merchants, banks and lawyers and accountants set up shops to serve them, and Fulton Street became the first paved river-to-river street in the city.



~~New~~ York came to rival the more established inland cities to become the country's commercial heart. And though the maritime uses waned over the centuries, some form of market commerce continued until 2005, when the famed Fulton Fish Market moved to the Bronx.

Over the decades, the district — with its distinctive cobblestone blocks and low-rise brick architecture — bordered by Fulton Street to the north, the river to the east, and Water Street to the west, has been the subject of failed plans, rejected proposals, and unrealized visions. Underlying it all has been the constant question: How does a city preserve and celebrate a historic neighborhood while developing it for modern use? And, more importantly, how does one fund such a project?

“It’s a unique and unusual place,” said David Sheldon, a sailor who mans the South Street Seaport Museum’s fleet. “You get off a train and walk into another century.”

Today, the answer lies with the Howard Hughes Corporation, which controls much of the district through a long-term lease with the city, and has undertaken a variety of development projects within the area. Howard Hughes replaced a failing mall on Pier 17 with a four-story office-and-entertainment complex, distinguished by its rainbow-hued lighting display. It’s rebuilding the historic Tin Building, and it has proposed a tantalizing list of neighborhood improvements in exchange for the approvals it needs to build a tower at 250 Water Street, a parking lot at the edge of the district.

The cobblestoned streets are now lined with retail and dining options, as well as a boutique theater. In the summer, a central green is opened at

~~the~~ Seaport for public events and cultural activities, tourists flock to Pier 17 for panoramic views of Brooklyn Bridge, and a steady stream of runners and cyclists pass along the waterfront path.

The district has also seen its residential population rise sharply and reaped the benefits of the revived Financial District and its new status as a 24-hour neighborhood as residents, office workers and tourists fill its bars and shops.

Yet the district's history is hardly central to the neighborhood's makeover. The South Street Seaport Museum, a collection of boats docked at Pier 16, and buildings scattered throughout the district, are not entirely functional. Already in dire financial condition, the museum was damaged by Hurricane Sandy and never quite recovered. And there are no concrete plans for the city-owned Fulton Fish Market, which had to be demolished after years of neglect.

That upsets Sheldon, who is a member of the Save Our Seaport group, and is critical of Howard Hughes' approach, which focuses primarily on retail and recreation, and little on the neighborhood's maritime and market history.

"There's nothing wrong with dining, retail, and entertainment, but you can put that anywhere," Sheldon said. "That's what I think, deep down, is eating everybody."

As the city's most historic district by its nature and age, it is fitting that the saga of the South Street Seaport is reflective of New York City's everlasting tug-of-war between the past and the future.



Since the sixties, when the urban preservation movement was roused by the destruction of the former Penn Station, South Street Seaport has been fought over by the opposing forces of preservation and development.

The South Street Seaport Museum itself was conceived in the sixties and was an organization that served as the stewards of the neighborhood rather than just a showcase for its past. The mayor tasked the museum with the neighborhood's development without offering any funds. For a while, the museum had a benefactor who strategically purchased land throughout the low-rise, cobblestoned blocks so that no developer could build a superblock development, said James Lindgren, the author of *Preserving Maritime America*.

In the seventies, the city took over much of the land that the museum had purchased, and a 12-block area was named the first historical district in Manhattan. That designation limited the height of any new buildings and required the approval of the Landmarks Preservation Commission for any new development.

In the eighties, the district experienced a few good years. The developer Jim Rouse fused two piers to create the double-wide Pier 17, and built first a "festival marketplace," and later a mall, as well as high-end retail along Schermerhorn Row. It was popular for a while, but the economic bust of the late eighties hit Rouse and the South Street Seaport hard.

The nineties came and went without any significant change in the languishing district, until 9/11, after which the district emptied of foot traffic for several years. In 2004, General Growth Properties took over the

lease for the city-owned land but filed for bankruptcy in 2009 and spun off the Howard Hughes Corporation to manage some of its projects, including the South Street Seaport.

When Howard Hughes first came in, they bought land adjacent to the district, purchased hundreds of thousands of air rights, and proposed a fifty-story condominium building on the waterfront, which unsurprisingly received a tremendous amount of pushback.

“Howard Hughes failed to recognize the origins of the district,” said Lindgren. “It was supposed to be a retreat from the cutthroat Wall Street mentality.” It was supposed to be the yin to Wall Street’s yang.

Howard Hughes declined to comment directly for this piece and directed Commercial Observer to speak with architecture firm Skidmore, Owings & Merrill (SOM), which is overseeing Hughes’ community engagement efforts.

Kevin Draper, also a historian, said that Howard Hughes is managing a difficult balance. “They’re learning how to operate within a historic district,” he said, and pointed to their work on the Tin Building, a landmarked market building along the waterfront that was falling apart, and Pier 17. “The Tin Building was a perfect example. They pieced it back together. It’s a good example of what they can do.”

The developer disassembled the 1907-era building and is relocating it 32 feet to the east and lifting it several feet to protect it from flooding. The reconstituted building will mostly be made of new material but incorporates what remained of the historic structure. It will house a



50,000-square-foot food hall by French chef Jean-Georges Vongerichten and is scheduled to open in the summer of 2021.

At Pier 17, Howard Hughes has introduced the only new office property in the district, with the four-story structure now home to Nike Design and ESPN Studios, as well as a rooftop concert venue with the Brooklyn Bridge as its backdrop. New buzzed-about restaurants include Vongerichten's seafood spot The Fulton, Bar Wayo from Momofuku, and an outpost of popular California restaurant Malibu Farms.

CBRE's Mary Ann Tighe, who is marketing the office space, said they're looking for creative tenants for whom "the dynamic of the seaport is source material for their own business." ESPN incorporates the backdrop of the East River and the Brooklyn Bridge into its visuals, and Nike opened a digital design studio at its space in November.

The Seaport is unique, Tighe said, because it's one of the few places where locals and tourists mingle, and the surrounding area's growth as a residential neighborhood has contributed to the district's desirability.

"The Water Street corridor has now become a true mix of residential and commercial," she said. "What was once just a steady band of office buildings is now completely different." Tighe is on the board of Howard Hughes, and a team of CBRE brokers handled the leases.

But Howard Hughes is having its own financial difficulties. In October, the public company announced a restructuring, in which it replaced its former CEO, relocated its headquarters to Houston, and announced



~~plans~~ to shed non-core assets. The Seaport District was not on the chopping block, though one nearby lot, at 85 South Street, was.



“For the Seaport District, our goals for 2020 remain unchanged,” said Howard Hughes CFO David O’Reilly, on an earnings call in February. “We are steadfast in our belief that there is a clear near-term roadmap to unlocking value and intend to continue to execute on the strategy over 2020 and 2021.”

It came as a surprise to some that the Seaport District remained a high priority for Howard Hughes since it’s been something of a money suck, with high capital investment requirements and low returns. In the final quarter of 2019, the company reported \$15.7 million in losses in the district. However, net operating revenues increased to \$55.6 million from \$32.6 million the previous year, according to the earnings report, and the company expects things to stabilize as more of the restaurant offerings come online.

“As we have said, we expect these losses to continue until the Seaport reaches its critical massive offerings, which will be primarily driven by the timing of the completion and stabilization of the Jean-George marketplace located in the Tin Building,” O’Reilly said on the call. “Stabilization should occur within 12 to 18 months of opening.”

At issue now is the firm’s proposal for the tower on Water Street, on a lot they purchased for \$180 million in 2018. In June of last year, they hired SOM to propose a holistic vision for the neighborhood, in particular three undeveloped sites within it: the Water Street site, the city-owned



Fulton Fish Market (called the New Market site), and a corner lot on John Street which abuts the museum's existing buildings.

The proposal hinges on transferring large blocks of development rights, mostly from the waterfront sites, to the Water Street lot.

“There are a million square feet of unused development rights,” said Chris Cooper, design partner at SOM. “The premise is that that represents value for the whole district. Can we unlock value so that the whole district can benefit?”

The majority of those unused development rights belong to the city, and it would require multiple approvals and adjustments for the city to transfer them to Howard Hughes.

In a series of three workshops, SOM engaged the community and then presented a list of improvements that Howard Hughes would be required to provide before receiving a Certificate of Occupancy for a tower at 250 Water Street. They include a new modern building for the museum on the John Street lot, where they could better preserve and display their artifacts, a low-rise building at the New Market site with a public rooftop, which would require extensive repair of the pilings underneath it, and upgrades to Pier 16.

At the final workshop last week, SOM presented various tower designs, all of which have a podium that aligns with the height and design of the surrounding low-rise buildings, and a tower above it that would fit in with the forest of Financial District high-rises. The mixed-use building would include 200 units of affordable housing, office and ground-street

retail The tallest version would reach 990 feet, but SOM said they're leaning towards a split tower option that would reach 770 feet. 

It was what the community feared, said Sheldon. “As soon as the image of the tower showed up, everyone went white.”

While some community members may advocate to quash the project and fund needed improvements through other avenues, SOM's Keith O'Connor said development may be the community's best bet.

“There's 50 years of plans and aspirations that haven't happened,” he said. “It's very unlikely in that scenario that anything like the range of improvements that are articulated [in the proposal] would be funded and realized.”

Save Our Seaport's proposed solution is to sell the development rights outside the district to fund improvement. “Public assets should not be used as bargaining items,” the group states on their website.

Over the years, there have been other visions for the district, including one from Robert Lavalva, who operated a food market for regional vendors, called the New Amsterdam Market, in the district from 2007 until 2015.

Lavalva tried to convince public officials that the city-owned Fulton Fish Market should be repurposed as a public food market that could serve as a hub for a regional food system. “The more I learned about the South Street Seaport, the more I understood that it was a place where food was bought and sold since the beginning of New York,” Lavalva said. “Giving  [the Fulton Fish market] a new function, and a new program, that still

related to the long history of markets in the district, would have created something very powerful, and ultimately economically very powerful as well.”

Lavalva was instrumental in the Essex Market development in the Lower East Side, and still believes that markets serve both a commercial and civic function. “A market is equally a public space as a park,” he said.

Howard Hughes has not proposed a use for the Fulton Fish Market site, which it would build in exchange for the tower at 250 Water Street. It wants input from the community on the best use for it, SOM’s Cooper said.

RECOMMENDED: [4th Annual Higher Education Construction Forum on 3.25](#)

KEYWORDS: [250 Water Street](#), [Chris Cooper](#), [David Sheldon](#), [Fulton Fish Market](#), [Howard Hughes](#), [Pier 17](#), [Robert LaValva](#), [Save Our Seaport](#), [SOM](#), [South Street Seaport](#), [Tin Building](#)

Organizations in this story



Architect

SOM

