

General Project Plan

New York State Urban Development Corporation d/b/a Empire State Development Corporation

**New York Sports and Convention Center
Land Use Improvement Project & Civic Project**

Adopted November 4, 2004

Modified April 12, 2005

Introduction

The New York Sports and Convention Center Land Use Improvement Project and Civic Project (the "Project") has been established as a project under the New York State Urban Development Corporation Act (the "UDC Act"). The Project is being undertaken by the New York State Urban Development Corporation ("UDC") d/b/a the Empire State Development Corporation ("ESDC"), the City of New York (the "City"), the Metropolitan Transportation Authority ("MTA"), the New York Jets LLC (the "Jets"), owner of the New York Jets football franchise, and the New York Jets Development LLC ("Jets Development"), an affiliate of the Jets.

Project Goals

The goal of the Project is to develop the New York Sports and Convention Center ("NYSCC") as a first class multi-use facility that will be suitable for convention center and trade show events, plenary sessions events, professional football events, national events, including Super Bowls, NCAA Basketball Finals, College Bowl Games, and other events that require the type of large venue that New York City now lacks. The NYSCC is also being designed to accommodate Olympic specifications in the event that New York City is successful in its bid to host the 2012 (or subsequent) Olympics.

It is the expectation of ESDC and the City that the Project will generate significant tax revenues for the State of New York (the "State") and City, create significant employment opportunities for New York residents in the construction and operation of the NYSCC and help spur economic development on the far west side of Manhattan. It is also expected that the Project will help attract conventions and trade shows to New York City for which there presently are inadequate or unsuitable facilities.

The Project is an important component of the No. 7 Subway Extension – Hudson Yards Rezoning and Development Program for the far west midtown area of Manhattan (the “Hudson Yards Program”) that is being proposed by the City. The Hudson Yards Program envisions, among other improvements, the rezoning of the far west side, an expansion of the Jacob Javits Convention Center (the “Javits Center”), the extension of the No. 7 subway line and a network of parks and open space throughout the Hudson Yards, including a publicly accessible open space located between West 33rd and West 34th Streets and 11th and 12th Avenues (the “Open Space”) which could accommodate retail and other active uses. Although those improvements may impact and benefit the Project, the Project is independent of those actions and may proceed with or without the other elements of the Hudson Yards Program.

Project Description

The Project site, located on the far west side of Manhattan, is generally bounded by West 30th Street, West 33rd Street, 11th Avenue and 12th Avenue (a/k/a Route 9A) (the “Railyards”). The Project site also includes West 33rd Street between 11th and 12th Avenues and certain airspace over the sidewalk of West 30th Street (the “City Parcels”) and a pedestrian bridge that will cross over Route 9(A) at West 33rd Street (the “9A Parcel”). (The airspace over the Railyards, the City Parcels and 9A Parcel are collectively hereinafter referred to as the “Project Site”.) As a result of the Project, West 33rd Street will be permanently closed to vehicular traffic between 11th and 12th Avenues. A site plan is attached hereto as Exhibit A.

The Railyards are currently owned by the Triborough Bridge and Tunnel Authority (“TBTA”), an affiliate of the MTA, and the portion between West 31st and West 33rd Streets is operated as an active rail yard by the Long Island Rail Road (“LIRR”), also an affiliate of the MTA.

The Project includes the development and construction of a steel and concrete platform (the “Platform”) over the Railyards. The Platform will serve as an enclosure for the LIRR rail operations and potentially other MTA facilities, such as a bus garage, that would be located between West 30th and West 31st Street. It is expected that there will be minimal disruption to the LIRR operations at the Railyards during construction of the Platform and operations will continue unimpeded thereafter. The Platform is expected to be approximately 27 feet above existing grade.

The Platform will serve as the base for the construction of the approximately 2.2 million square foot NYSCC. The NYSCC will be constructed to permit (i) an approximately 75,000 seat configuration for open air stadium type events; (ii) approximately 180,000 square foot of exhibition space for convention, trade shows, plenary sessions and other events; and (iii) approximately 18,000 square feet of meeting rooms to serve conventions, trade shows, plenary sessions and other events. The NYSCC will have a retractable roof and be usable year round.

The NYSCC will largely be a glass structure with the upper levels being composed of alternate patterns of transparent and fritted glass. The fixed roof of the enclosed building will rise approximately 200 feet above the Platform. In order to convert from stadium mode to convention configuration, the NYSCC is expected to include a removable palletized artificial

playing surface, a movable lighting grid and a partially retractable lower bowl seating system. The NYSCC is expected to have in excess of 200 luxury suites and 7,000 premium seats and will include amenities generally associated with modern professional football stadiums and convention centers of this size, including food and beverage facilities.

The NYSCC would be located to the south of the proposed Open Space that is part of the Hudson Yards Program. As part of the Project, out of the proceeds of the Pilot Bonds (hereinafter defined), Jets Development will construct three elements of public infrastructure which are outside of the footprint of the NYSCC: (i) a two level structure above portions of 33rd Street between 11th and 12th Avenues, to provide access to the sports event and exhibition event levels of the NYSCC and pedestrian access from 11th Avenue to the river front; (ii) a pedestrian bridge over Route 9A, at 33rd Street, to provide access to the Hudson River Park and to the ferry terminal at 39th Street; and (iii) a rebuilt portion of the High Line on the southern side of the NYSCC, allowing pedestrian access to the facility and an attractive promenade along 30th Street (collectively, the "Public Infrastructure"). Jets Development will also agree to fund 50% of the cost of the proposed 39th Street pedestrian bridge over Route 9A – although the development and construction of the 39th Street pedestrian bridge is not part of the Project or this General Project Plan.

The primary entry points to the NYSCC for the general public, on days when there are football games, would be located on the north and south sides above street level (accessed by ramps and steps), with the 11th Avenue entrance serving as the entry point for premium seat holders. On days when there are no football games at the NYSCC, the primary entrance way to the NYSCC would be the 11th Avenue entry point. The north entry would be located along the West 33rd Street frontage (approximately 26 feet above street level at 11th Avenue and West 33rd Street). This entrance would serve patrons arriving from the ferry terminal at West 39th Street and 12th Avenue, the proposed No. 7 subway extension station, and patrons who arrive through Penn Station. The south entry would be located along the length of the West 30th Street frontage, with access from the rebuilt High Line on West 30th Street via an elevated pedestrian connection. Two east entries would be located on the axis of 32nd Street along the 11th Avenue façade for club and suite guests.

The NYSCC structure would be approximately 800 feet long in the east-west direction and 710 feet in the north-south direction. The NYSCC orientation will allow the block between West 33rd and 34th Streets (above the Javits Center truck marshalling yard) to be used for the proposed Open Space pursuant to the Hudson Yards Program and the Javits Center expansion project. Upon completion of the proposed Javits Center expansion and No. 7 subway extension, it is expected that an underground connection would be provided between the Javits Center, the No. 7 line and the NYSCC.

Open spaces, pedestrian circulation and edges with active retail and other uses would be provided in and around the NYSCC as part of the Project. Along the northern edge, Jets Development will construct a publicly accessible, two-level structure in the bed of 33rd Street between 11th and 12th Avenues. The first level is at the same elevation as 11th Avenue and will provide entry to the public exhibition level of the NYSCC. The first level will also contain active convention related uses, including meeting rooms, a pre-function corridor and other retail

uses, and a connection to the open space to the north above the Javits marshalling yards. A portion of this level will continue across Route 9A to serve as a pedestrian bridge connection to Hudson River Park. The second level with an approximate width of 60 feet would be an open plaza approximately 26 feet above the street and will serve as the entry to the main concourse of the NYSCC. Grand stairs with an approximate width of 40 feet at the east and west edges of the plaza provide access to and from the second level.

Continuous pedestrian access to the waterfront will be provided along the northern facade of the NSYCC. In the event of development of the Open Space to the north, retail and other active uses, as well as pedestrian access, could be expanded north of the 33rd Street right of way as part of the Open Space, providing additional active, retail or other uses. Such Open Space could be located at the same grade as the first level and adjoin the first level of the two level structure.

The east side of the NYSCC facing 11th Avenue will include extra-height retail storefronts, box offices and building entries along approximately 65% of the facade including a visually significant retail space at the corner of 33rd Street and 11th Avenue. This eastern edge will have pedestrian circulation space (from curb to building edge) which is expected to have a minimum width of approximately 20 feet and an average width of approximately 30 feet along the entire length of 11th Avenue.

On the south side facing 30th Street, the NYSCC will incorporate a replaced portion of the High Line as part of an approximately 30-foot wide publicly accessible pathway with stairwells near 11th and 12th Avenues for access from the sidewalk. This portion of the High Line would provide access to the NYSCC and the pedestrian space along the western edge. Beneath the High Line, the design provides for a series of open-air market stalls fronting on the existing sidewalk which is approximately 12 feet in width.

Along the west side of the NYSCC facing 12th Avenue, the main pedestrian circulation space will be along a continuous balcony that connects into the High Line to the south and the 33rd Street pedestrian bridge and proposed open space to the north. This pedestrian circulation is expected to have a minimum of 12 feet width along the entire western edge of the NYSCC and would provide riverfront views over 12th Avenue and access into a retail space within the NYSCC on the public exhibition level of the NYSCC.

The NYSCC is expected to include a small museum, an approximately 199 seat community theater, restaurants and other amenities.

Sustainable Development

It is expected that the NYSCC will be the most environmentally sensitive facility of its kind in the country and the first LEEDs (Leadership in Energy and Environmental Design) certified building of its type. A rainwater harvesting system on the retractable roof will enable the reuse of millions of gallons of rainwater for non-potable use. Other features include potable water and wastewater reduction systems, natural lighting and ventilation, use of 10% recycled content building materials, local building material purchasing strategies, sophisticated monitoring and control systems for HVAC, lighting, CO and CO₂, and use of energy efficient equipment and

pre-occupancy commissioning of systems – all of which are designed to minimize the project's impact on non-renewable energy sources. In addition, consistent with requirements set forth in the Generic Environmental Impact Statement for the Hudson Yards Program, Jets Development will require the utilization of low sulfur diesel in all construction vehicles, special filters on appropriate construction equipment and the use of newer construction equipment with more controlled emissions.

A schematic design of the NYSCC, open space, and Platform is set forth in Exhibit B to this General Project Plan.

NYSCC Events

Upon completion, the NYSCC will be utilized for a minimum of ten Jets football games a year (eight regular season games and two pre-season games) and will be available, as needed, for home play-off games involving the Jets. If the City is successful in its efforts to host the 2012 (or subsequent) Olympics, the NYSCC will be made available for opening and closing ceremonies and track and field events. The NYSCC can be converted to an Olympic configuration by extending the structure to the West and adding seating. (The cost of this reconfiguration is not included within the Project budget. The expectation is that it would be paid by the Olympic Host Committee.)

It is expected that the NYSCC will periodically host the Super Bowl. The National Football League announced that the Super Bowl scheduled for February 2010 has been awarded to New York City, provided that the NYSCC is constructed based on the existing schedule.

The NYSCC will be available for conventions and trade shows (see Section on Convention and Trade Show Use Protocol), concerts and other suitable events for a facility of this size. In addition, the NYSCC will be available as a supplement to the Javits Center for events that can not be accommodated at the Javits Center, even after its proposed expansion. Although market factors will determine the ultimate uses at the NYSCC, Jets Development has projected a usage plan for the NYSCC as follows:

Annual Event Schedule	Stadium	Expo Events	Plenary Sessions	National Events	Total
Number of Events	17	38	3	2	60
Days per Event	1	3	1	1	
Total Event Days	17	108 *	3	2	130
Transition Days per event	2	3	3	2	
Total Transition Days	34	114	9	4	161
Total Days					291

* Expo events include trade shows and conventions, consumer shows and special events. Certain Expo events are expected to be less than 3 days.

Lease and Financing Structure

The Project has a development budget of \$1.925 billion (exclusive of the \$250 million purchase price for the air space to be paid by Jets Development to the MTA and net of typical financing costs) and is expected to be funded from four funding sources; (i) the Jets, and private funding sources arranged by the Jets, including loans from the National Football League; (ii) tax exempt bonds secured by payments in lieu of taxes ("Pilot") to be made by Jets Development (iii) the State, directly, or indirectly through ESDC; and (iv) the City, as described below.

Jets Development will directly contribute approximately \$875 million to the cost of constructing the Project and will, indirectly, contribute an additional \$450 million through its obligation to make Pilot payments. For the Jets direct contribution, it is expected that \$150 million will be made available pursuant to the National Football League program to assist in the development of new facilities and \$725 million will be made available in equity or other private financing. It is expected that \$450 million will be made available through the Pilot Bonds (defined below). None of the State, City, ESDC, or MTA will provide any security or have any obligation under the financing arrangements for the \$1.325 billion, including the Pilot Bonds. In addition to the foregoing and in cooperation with Jets Development, ESDC may elect to sell personal seat licenses for certain NYSCC events to raise additional funds for capital costs of the Project, as is typically structured in other stadium financings.

Any Project cost overruns will be borne by Jets Development. In the event that Project costs are less than \$1.4 billion, the cost savings will be shared, pro rata, by the State, City and Jets Development.

The proposed multi-tiered lease structure is designed to assist in accommodating financing requirements and help achieve public sector goals for the development of the Platform and NYSCC. It is envisioned that the State and the City, cooperatively, will cause to be established one or more not-for profit Local Development Corporation(s) (the "LDC") to assist in financing and structuring the Project. The LDC will be jointly controlled by the City and the State, each of which shall have equal representation on the LDC's board.

The Railyards are currently owned by the TBTA. It is expected that the TBTA will convey its fee interest in the Railyards to the MTA and that the MTA will retain title thereto. In addition, one or more easements are expected to be recorded that will impact the structure described below.

ESDC is expected to acquire a fee interest in the City Parcels pursuant to its statutory condemnation powers. It is also expected that appropriate approvals will be granted to allow for the construction of the pedestrian bridge over the 9A Parcel.

Generally, it is expected that the Project Site will be conveyed or leased, subleased and financed in accordance with the following structure:

- (i) MTA will sell or lease the airspace above the Railyards to Jets Development, and Jets Development will lease the airspace to the LDC. The LDC, through one or more issuances of tax exempt bonds (collectively the "Public Sector Bonds"), will raise \$600 million allocable to construction costs related to the Platform and the roof for the NYSCC. The issuance of the Public Sector Bonds shall be conditioned upon the City and the State, respectively, each agreeing to be obligated for the payment of all debt service and issuance costs with respect to 50% of the Public Sector Bonds. The State's obligation on its portion of the Public Sector Bonds (the "Allocated Bonds") may take the form of a State supported rental stream from ESDC on its sublease from the LDC (see (ii) below), such payment obligation being subject to and conditioned upon appropriations from the State Legislature to ESDC for such purpose¹. The City will finance its portion of the Public Sector Bonds by assignment of a revenue stream to the LDC sufficient to pay debt service and issuance costs on its share of the Public Sector Bonds. The City revenue stream will consist of receivables from payments-in-lieu of taxes made pursuant to specified real estate transactions
- (ii) The LDC will lease the airspace to ESDC, pursuant to which the LDC will agree to fund and ESDC will agree to utilize the proceeds of the Public Sector Bonds for construction of the NYSCC and ESDC will agree to pay rent to the LDC (equal to debt service on the Allocated Bonds, or if one of the events described in footnote 2 occur, \$1).
- (iii) ESDC will lease the airspace to the City to provide the City with an interest in the real property.
- (iv) The City will lease the airspace back to ESDC.
- (v) ESDC will lease the Platform to the MTA for \$1.00.
- (vi) ESDC will accept a conveyance of, or will lease the airspace above the Platform and a portion of its interest in the City Parcels (i.e. that portion of the City Parcels necessary for the development of the Public Infrastructure) to the LDC. The LDC will issue additional tax-exempt bonds (the "Pilot Bonds") to pay a portion of the cost of the NYSCC and the cost of the Public Infrastructure.
- (vii) The LDC will lease the airspace above the Platform and a portion of its interest in the City Parcels to Jets Development. This lease and ancillary agreements will require Jets Development to construct the Platform, the NYSCC and the associated Public Infrastructure, and to provide any additional funds needed to construct these improvements. The Project Site is currently exempt from real estate taxes and, as a result of public ownership, the Platform and NYSCC will be tax exempt. The lease will require Jets Development to make Pilot payments for the estimated useful life of the NYSCC, which will not exceed real estate taxes that would otherwise be payable

¹ In the event the State Legislature does not authorize the appropriation of funds for ESDC to pay rent to the LDC (i.e., debt service payments on the Allocated Bonds) prior to the issuance of the Public Sector Bonds, the City will assume the State's obligation on the Allocated Bonds, provided that the City and the State identify by agreement a cash equivalent comparable opportunity for the City to be made whole for its assumption of the State's obligation on the Allocated Bonds. Such cash equivalent comparable opportunity may take the form of any or a combination of the following: (i) compensation or other direct State payments or property transfers to the City, (ii) offsets against City commitments on other joint State/City initiatives, and (iii) relief from obligations which the City may otherwise be obligated to the State.

but for public ownership. These payments will be assigned to a Pilot trustee who will remit such payments to the LDC, to apply toward debt service on the Pilot Bonds and toward operating and maintenance costs, and capital renewal and replacement costs, of the NYSCC.

The leases described above will be coterminous. Each lease is expected to have a term of 49 years and will be subject to options exercisable by Jets Development to extend the lease terms to 99 years.

Jets Development, as the operating tenant, will enter into an agreement with the Jets whereby the Jets will agree to play all of their home games at the NYSCC for not less than 30 years. The Jets will also enter into a non-relocation agreement with ESDC, the City and the MTA to directly guaranty that it will remain and play all of its home games at the NYSCC for not less than 30 years. Jets Development will also enter into other leases, license and other agreements, as appropriate, for the use and occupancy of the NYSCC.

It is expected that Jets Development will also enter into an agreement with the Convention Center Operation Corporation to allow for the NYSCC to be utilized for conventions and trade shows (see Section on Convention and Trade Show Use Protocol).

As a result of public ownership of the Platform and the NYSCC, the Project will receive the benefit of a sales tax exemption for the construction and fit-out of the Project and a mortgage recording tax exemption to the extent any of the Project financing is secured by a leasehold mortgage.

The precise breakdown of Jets arranged financing may change as a result of Project needs and financial conditions at closing.

Platform Maintenance and Payments to MTA

The Platform structure will be maintained by Jets Development. Any systems and appurtenances serving LIRR and MTA operations under the Platform will be maintained by or on behalf of the MTA, or an affiliate of the MTA.

In addition to paying the cost of constructing the NYSCC and the Public Infrastructure, Jets Development will pay to the MTA \$250 million for the fee or lease interest in the air space above the Railyards and certain incremental costs incurred by the MTA of operating in an enclosed facility and operating and maintaining the systems and appurtenances that serve the enclosed Railyards for the term of the Jets Development lease.

Economic Impact

ESDC has performed an independent economic impact analysis of the Project. (Separate analysis – using different forecasting models - has been performed by consultants to Jets Development and the City which indicates similar benefits.) ESDC has projected that the Project will have the following impacts during construction and for the first 30 years of operations:

- (i) Construction of the Project will generate 10,611 new direct job years and 18,569 total job years (direct, indirect and induced);
- (ii) Direct personal income related to construction activities will be \$644.9 million and total personal income will be \$1.0 billion (direct, indirect and induced);
- (iii) Total construction employment will generate \$44.5 million in City personal income tax and sales tax revenues on consumption spending from construction-related incomes and \$68.0 million in State personal income tax revenues;
- (iv) Operations at the NYSCC and additional visitor spending in the region will support 2,413 new jobs in New York City (direct, indirect and induced) and 2,915 new jobs statewide (these estimates do not account for the additional benefits resulting from holding a Super Bowl at the NYSCC); and
- (v) On a present value basis, the NYSCC will generate \$462.2 million of City tax revenues and \$553.6 million of State tax revenues (no accounting for a Super Bowl).

Project Purpose – Basis for Land Use Improvement Project and Civic Project Findings

The primary purposes of ESDC's participation in the Project are (i) to redevelop a blighted area and to have that redevelopment serve as a linchpin and catalyst for the plan to redevelop the far west side of Manhattan, generally as described in the Environmental Impact Statement prepared by the MTA and City for the Hudson Yards Program; (ii) to develop a facility that as an independent venue and in combination with the Javits Center, will attract additional conventions and trade shows to New York City that would otherwise go to other cities because New York City lacks an appropriate facility for small to mid-sized shows, or in the case of larger shows, because the Javits Center, even with its proposed expansion, does not provide sufficient exhibition space or plenary space facilities; (iii) to generate additional economic activity and City and State tax revenues (including sales tax revenues from operations and income tax revenues from performers at the NYSCC) by holding professional football and other events within New York City that otherwise would occur elsewhere; (iv) to attract national events to the City, such as a Super Bowl, NCAA Basketball Final or a major bowl event, that would otherwise occur elsewhere; and (v) to enhance the City's bid to host the 2012 (or subsequent) Olympics.

Specifically, the Corporation, pursuant to Section 10 of the UDC Act, has made and hereby reaffirms the findings set forth below. These findings are supported and complemented by the findings, determinations and statements of fact described in the Draft Generic Environmental Impact Statement for the Hudson Yards Program.

Land Use Improvement Project Findings

1. That the area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality.

The Project Site entails approximately 13 acres of potential prime real estate within the borough of Manhattan. Its sole use is that of a rail yard for the storage and maintenance of rail cars and accordingly generates limited economic benefits to the City and State. In addition, the Project Site is unattractive and inaccessible to the public. Due to the limited uses of the Project Site, its sheer size, and lack of public access, it serves as an impediment to future development within the Hudson Yards.

The Hudson Yards Program Area is substantially included within Census Tracts 103,111,115,117, 99 and 101. Based on data from the 2000 Census, the unemployment rate for the referenced census tracts is 14.41% - as compared to a Citywide average of 9.69%. The poverty rate (the percentage of individuals that are living below the federal poverty guidelines) for the referenced census tracts is 23.77% as compared to a Citywide rate of 21.2%.

2. That the project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

The General Project Plan calls for the redevelopment of the Project Site without diminishing the current uses. The enhanced uses generated by the Project will attract people to the Project Site and will, accordingly, help support local businesses. The Project will also generate substantial tax revenues for the City and the State and will generate a substantial payment to the MTA for use of the airspace over the Railyards. It is expected that the Project will remove a blighting influence and serve as a catalyst for future development consistent with the Hudson Yards Program.

3. That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

It is expected that Jets Development will arrange for or otherwise make payments sufficient to repay a minimum of \$1.325 billion of financing for the construction of Project. The Project will be operated by Jets Development and will primarily be utilized for private shows, conventions, sports events and other events.

Civic Project Findings

1. That there exists in the area in which the project is to be located, a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the project;

New York City is lacking a suitable venue to host major sporting events, such as professional football games, NCAA Basketball Finals and College Bowl Games, as well as conventions that can complement events at the Javits Center and events that cannot be accommodated at the Javits Center, and to attract extraordinary events like the Super Bowl or Olympics. The NYSCC will also be able to support a host of cultural and community events such as concerts, political conventions, graduation ceremonies, etc. In addition to the economic benefits that these events

provide to the City and State, they help promote civic pride and provide a venue for large groups of individuals in the New York City region to enjoy a sports, educational or cultural experience. The NYSCC will make the City competitive with other municipalities that have undertaken development of similar public facilities.

2. That the project shall consist of a building or buildings or other facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes;

The NYSCC will be designed to accommodate the types of events described in this General Project Plan and will be suitable for the above purposes.

3. That such project will be leased to or owned by the state or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been, or will be, made for the payment of the cost of acquisition, construction, operation, maintenance and upkeep of the project.

As described herein, the Project Site will be owned by the MTA and the NYSCC will be leased to and from ESDC for the purposes previously described. As described herein, adequate funds will be made available for construction of the Project and Jets Development will be responsible for the operation, maintenance and upkeep of the Project.

4. That the plans and specifications assure or will assure adequate light, air sanitation and fire protection.

The ESDC Department of Design and Construction will review and approve all plans and specifications and will assure that the above criteria are satisfied. The NYSCC will be designed and built in accordance with the New York City Building Code with such variance as may be approved by the New York City Department of Buildings. The Platform will be designed and built in accordance with the Building Code of New York State, with LIRR employees, or consultants certified by New York State, acting as code compliance officers.

Findings for all ESDC Projects

That there is a feasible method for the relocation of families and individuals displaced from the project area into decent, safe and sanitary dwellings, which are or will be provided in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places of employment.

No families or individuals will be displaced as a result of the Project.

Anticipated Construction Schedule

Subject to all financing and all public approval being in place, it is expected that construction of the Project will commence in the Fall of 2005. The construction of the Platform and NYSCC is expected to take approximately 44 months. Accordingly, completion of construction is projected for Summer 2009. It is further expected that the Jets first home game at the NYSCC will be played in August or September of 2009.

Affirmative Action

ESDC will administer and enforce an affirmative action program for the construction of the Project. Jets Development has agreed to make a good faith effort to utilize minority and women business enterprises ("M/WBE's") in the construction of the project as well as ensuring that minorities and women are adequately represented in the construction workforce for the Project. To that goal, the Jets Development has organized an advisory committee including M/WBE advocacy groups to ensure a successful affirmative action program.

Jets Development and ESDC have agreed to a goal of 25% minority and women representation in the workforce for the Project. Based on input from the aforementioned advisory committee, ESDC and Jets Development have also agreed upon a 20% M/WBE participation goal for specified trades in which M/WBE participation can be reasonably expected.

Override of Local Requirements

In furtherance of the Project, ESDC expects to exercise its statutory authority to override local zoning requirements that apply to the Project Site. The Project Site is currently zoned M 2-3. Pursuant to this override, the Project will be developed and constructed in accordance with the Project description set forth above. In connection with ESDC's condemnation, ESDC also expects to override City requirements regarding the City Map for 33rd Street between 11th and 12th Avenues and a portion of the airspace that is above 30th Street between 11th and 12th Avenues.

Convention and Trade Show Use Protocol

The Convention Center Operating Corporation ("CCOC"), a statutorily created public benefit corporation of the State of New York, is responsible for operating the Javits Center. Jets Development and CCOC have discussed a protocol for the use and operation of the NYSCC for trade shows and conventions that will attempt to maximize the availability of the NYSCC for conventions that use the entire Javits Center and require more space than is available at the Javits Center and to provide that the NYSCC can be utilized for smaller trade shows and conventions that are not able to be accommodated at the Javits Center.

It is expected that a master booking schedule will be maintained to permit either Jets Development or CCOC to reserve dates at the NYSCC. Jets Development will have the exclusive right to book the NYSCC for all sports and entertainment events and to reserve all dates that may be required for the playing of New York Jet football games. Subject to the priority scheduling of football games, it is expected that CCOC will have priority for booking the NYSCC for certain convention and trade show events, provided that such events are scheduled

for not less than a stipulated time period in the future, to be agreed to by CCOC and Jets Development. For all other bookings, Jets Development and CCOC will coordinate their activities in furtherance of the goal to maximize use of the NYSCC.

High Line

Consistent with the Hudson Yards Program to redevelop the far west side of Manhattan, the City expects to convert portions of an elevated railway viaduct that extends from Gansevoort Street to approximately 34th Street (the "High Line") to public space. Portions of the existing High Line, including that portion within the Project Site, which is approximately 30 feet wide, and extends along an irregular path from 11th Avenue at West 30th Street to West 33rd Street between 11th and 12th Avenues, will be removed. In place of the portion on West 30th Street between 11th and 12th Avenues, Jets Development will build a pedestrian walkway. As the High Line is an eligible resource for listing on the State and National Registers of Historic Structures, its removal would constitute an adverse effect and mitigation will be required. A Letter of Resolution among ESDC, Jets Development and the State Office of Parks Recreation and Historic Preservation has been prepared to stipulate the mitigation measures agreed upon.

The High Line structure within the Project Site is located within an easement granted, or to be granted, to CSX Corporation (f/k/a the Consolidated Railroad Corporation). It is expected that ESDC or a subsidiary of ESDC, MTA and other parties will enter into agreements with CSX Corporation and other parties in furtherance of the High Line project to, among other things, (i) allow for the removal of the High Line structure within the Project Site; (ii) provide for a relocation of the existing easement, which now runs between 30th Street and 33rd Street, within the Project Site, to permit the development of the NYSCC and (iii) provide for the future restoration of freight service along the relocated easement if mandated by the federal Surface Transportation Board. Furthermore, in order to accommodate the foregoing goals, it is expected that ESDC will join the City in applying to the Surface Transportation Board for issuance of a Certificate of Interim Trail Use. The City will agree to perform any obligations that ESDC, or any subsidiary of ESDC, is liable for under the aforesaid agreements and will fully indemnify ESDC.

In addition to the foregoing, it is contemplated that ESDC will enter into agreements with the New York State Department of Transportation, the Convention Center Development Corporation ("CCDC") and the CSX Corporation to acquire title to that part of the proposed relocated High Line easement that will lie over Route 9A and the CCDC owned property between 33rd and 34th Streets.

A depiction of the existing High Line easement within the Project Site and the proposed relocated site of the easement is set forth in Exhibit C hereto.

Site Investigation and Hazardous Materials

The Railyards have been utilized for decades for railroad and related industrial purposes. Hazardous substances may be present on the surface or in the subsurface. Under the terms of a

Temporary Entry License Permit between MTA and Jets Development, Jets Development and their consultants have been provided access to the Railyards to gather information and data that will be utilized (i) by the City and MTA in the preparation of the Final Generic Environmental Impact State for the Hudson Yards Program and (ii) Jets Development to perform certain geotechnical analysis that will be required for the construction of the Project.

Collectively, under the terms of the License and the transaction documents, Jets Development will be obligated to perform any mitigation or remedial program that may be required under applicable laws and regulations or as otherwise agreed to among ESDC, the MTA and Jets Development. Pursuant to terms to be agreed to among ESDC, Jets Development and the City, it is expected that a remediation program will be submitted to the State Department of Environmental Conservation for approval under the Brownfields Program.

Eminent Domain

In furtherance of the Project, it is expected that ESDC, with the concurrence of the City, will exercise its statutory authority to condemn property, and acquire, by eminent domain, two City-owned parcels. The first parcel constitutes a portion of the airspace that is above West 30th Street between 11th and 12th Avenues. The airspace to be acquired is approximately 13 feet wide by 800 feet long and will be utilized for construction and use of a promenade that will allow access to the NYSCC. The second parcel constitutes West 33rd Street between 11th and 12th Avenues. A portion of the airspace above West 33rd Street will be utilized for a two-level structure that will provide access to the NYSCC and pedestrian access to the waterfront.

A detailed description of the two parcels to be acquired is set forth in Exhibit D attached hereto.

Public Approval and Environmental Review Process

A Draft Generic Environmental Impact Statement ("DGEIS") for the Hudson Yards Program, inclusive of the proposed development of the NYSCC, was certified by the MTA and Department of City Planning (as co-lead agencies) on June 21, 2004. A public hearing on the DGEIS was held on September 23, 2004. The Final EIS was issued in November 2004. Separate and apart from the DGEIS hearing, ESDC, in conformance with the requirements of the UDC Act and the Eminent Domain Procedure Law, held a duly noticed public hearing on the General Project Plan on December 16, 2004, upon not less than 30 days notice, and accepted comments on the General Project Plan through January 18, 2005.

Attachments

- Exhibit A – Site Plan
- Exhibit B – Schematic Design
- Exhibit C – High Line Easement
- Exhibit D – Condemnation Parcels