

LEGAL NOTICE

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

D/B/A EMPIRE STATE DEVELOPMENT

NOTICE OF PUBLIC HEARING TO BE HELD NOVEMBER 2, 2016 PURSUANT TO
SECTIONS 6 AND 16 OF THE NEW YORK STATE URBAN DEVELOPMENT
CORPORATION ACT IN CONNECTION WITH THE MOYNIHAN STATION CIVIC
AND LAND USE IMPROVEMENT PROJECT

PLEASE TAKE NOTICE that a public hearing (the “Public Hearing”), open to all persons, will be held by the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), pursuant to Sections 6 and 16 of the New York State Urban Development Corporation Act (Chapter 174, Section 1, Laws of 1968, as amended; the “Act”) at 421 Eighth Avenue, New York, NY, from 6:00 p.m. to 9:00 p.m. on Wednesday, November 2, 2016 to consider a proposed Supplement (the “Supplement”) to the General Project Plan (the “GPP”) for the Moynihan Station Civic and Land Use Improvement Project (the “Project”) and the proposed disposition of 421 Eighth Avenue, New York, NY, Manhattan Tax Block 755, Lot 40, also known as the James A. Farley Post Office and Annex (“Farley”).

This notice of the Public Hearing is required pursuant to Sections 6 and 16 of the Act for the purposes of: (1) informing the public about the Supplement and the essential terms of the disposition of Farley; (2) giving all interested persons an opportunity to be heard with respect thereto.

The action on the Supplement will not be final until after: (i) the Public Hearing has occurred; (ii) Public Hearing testimony and collected written comments on the

Supplement have been reviewed and considered by ESD; (iii) the ESD Directors have reviewed and considered such public testimony and comment at a meeting of the ESD Directors; and (iv) the ESD Directors have taken appropriate action regarding the Supplement.

Description of the Supplement

Pursuant to the Existing GPP, the Project includes the redevelopment of Farley, improvements to the National Railroad Passenger Corporation (“Amtrak”) train shed beneath Farley (the “Train Shed”) , and the redevelopment of an adjacent parcel located between 33rd and 34th Street along Eighth Avenue and within the western portion of Manhattan Tax Block 783.

The Supplement would effectuate certain modifications to the August 2006 General Project Plan (“2006 GPP”) for the Project, as amended in March 2007 and June 2010 (the 2006 GPP as so amended the “Existing GPP”). The Existing GPP, together with the modifications set forth in the Supplement would constitute the amended GPP for the Project.

The proposed changes to the Existing GPP as set forth in the Supplement generally do not affect architectural and engineering matters, and the Project remains substantially similar to the Project as set forth in the Existing GPP. As in the Existing GPP, Farley will be long-term net leased to a private tenant (the “Tenant”) that will be obligated to construct, operate, and maintain leasehold improvements, including a new commuter and inter-city passenger train hall and new commercial use space. As with the Existing GPP: United States Postal Service (“USPS”) will continue to lease for nominal rent and operate its existing retail postal lobby and substantial support space within

Farley pursuant to the existing USPS leases; Tenant will be obligated to construct leasehold related improvements in the Train Shed; and the mixed-use redevelopment of western portion of Manhattan Tax Block 783 will remain in the Project.

Changes to the Existing GPP set forth in the Supplement include the following:

(i) LIRR, and potentially its sister Metropolitan Transportation Authority (“MTA”) operating entity, Metro-North Commuter Railroad (“Metro North”), and Amtrak will be the principal railroads using the Train Hall and each will have a substantial presence in Farley; (ii) the Tenant will be a new special purpose entity owned by subsidiaries of Vornado Realty, L.P. and The Related Companies L.P. and the Tenant work described in the Supplement replaces the Tenant Work set out in the Existing GPP; (iii) Farley will have neither a big-box store nor “Mart” use and that use space will contain office and other commercial uses; (iv) the Farley redevelopment will comply with the requirements of the New York State Uniform Fire Prevention and Building Code; and (v) the Supplement overrides ZR 93-13 (the special office use regulations of the Special Hudson Yards District). These changes enhance the Project benefits set forth in the Existing GPP and do not alter the fundamental benefits and utility to be derived from the Project.

Essential Terms

ESD shall establish a condominium regime for Farley including the following condominium units: (i) the Train Hall space, including the new main passenger concourse, new public circulation space, new vertical access facilities connecting the Train Hall to the Train Shed, skylights, entrances and other new facilities (the “Train Hall Unit”); (ii) the back-of-house and passenger facing operations space for MTA and LIRR (the “LIRR Unit”); (iii) the back-of-house and passenger facing operations space for

Amtrak (the “Amtrak Unit”); (iv) the Train Hall related retail space (the “Train Hall Retail Unit”); (v) the other commercial spaces (collectively, the “Commercial Unit”); and (vi) space for USPS retail services and operations (the “USPS Unit”).

ESD will long-term net lease to the Tenant, all of the condominium units. The lease term shall be ninety-nine years. At the commencement of the lease term, the Tenant shall make an initial payment in the amount of \$230,000,000. The Tenant shall also make periodic additional payments (“Additional Payments”) that will include amounts based on the real estate taxes that would have been due if the Tenant, rather than ESD, was the owner of the Train Hall Retail Unit and the Commercial Unit. All amounts payable under the Tenant lease shall be absolutely net to ESD. The Tenant shall pay operating and maintenance charges (“O&M”) and pay to the condominium association common area maintenance and assessments (“CAM”) for the units.

ESD and the Tenant will enter into a leasehold improvement agreement pursuant to which the Tenant shall be responsible for all of the leasehold improvements, including: (i) leasehold related improvements in the Train Shed; (ii) the Train Hall Unit, including the new main passenger concourse, new public circulation space, new vertical access facilities connecting the Train Hall to the Train Shed, skylights, entrances and other new facilities; (iii) the core and shell of the LIRR Unit; (iv) the core and shell of the Amtrak Unit; (v) the core and shell of the Train Hall Retail Unit; (vi) installation of new entrance canopies; (vii) mid-block taxi amenities; (viii) replacement of various building systems and infrastructure; (ix) restoration of the exterior of the Farley Building (all of these improvements collectively the “Train Hall Improvements”). The Tenant will undertake to complete the Train Hall Improvements for a cost of approximately

\$1,264,000,000 with such adjustments as may subsequently be agreed to by the Tenant and ESD (the “Train Hall Improvements Cost”). ESD funds the Train Hall Improvements Cost with funding from Amtrak, MTA, PANYNJ, the Initial Payment, the monetization of the Additional Payments, and other ESD sources.

Upon substantial completion of the LIRR Unit and the Amtrak Unit, the Tenant’s lease will terminate with respect to such units. ESD shall (i) long-term net lease to LIRR the LIRR Unit and (ii) convey to Amtrak fee title to the Amtrak Unit. Each of LIRR and Amtrak will arrange and be responsible for the cost of the fit-out of its unit and will pay for its unit’s O&M and CAM. In addition, both LIRR and Amtrak will pay to the Tenant a share of the Train Hall Unit’s O&M and CAM. If LIRR and MTA permanently cease to use the LIRR Unit for passenger rail operations, the lease for the LIRR Unit will terminate. If Amtrak permanently ceases to use the Amtrak Unit for passenger rail operations, title to the Amtrak Unit will revert to ESD.

Tenant shall operate and use the Train Hall Unit as a train station in a manner consistent with the quality found a first-class, up-to-date transportation-oriented multi-use facility which is operated and maintained in accordance with best management practices (the “Operating Standard”). The Tenant shall use in accordance with the Operating Standard: (i) the Commercial Unit for commercial office, retail and restaurant uses and ancillary uses thereto or, to the extent reasonably approved by ESD and subject to the terms of the existing USPS leases, or other legal uses as determined by Tenant; and (ii) the Train Hall Retail Unit for retail, restaurant, and ancillary uses, as determined by Tenant, subject to an agreed-upon list of standards and prohibited uses.

Availability of the Proposed Supplement

The Existing GPP and the proposed Supplement are available for viewing at the website http://esd.ny.gov/PublicMeetings_Notices.html. Copies of the Existing GPP and the Supplement are available, without charge, to any person requesting such copies at the ESD office located at 633 Third Avenue, New York, New York 10017 and the Existing GPP and the Supplement are available there for inspection by the general public between the hours of 9:30 a.m. to 5:00 p.m., Monday through Friday (an appointment can be made by calling Regina Stephens at (212) 803-3818). Pursuant to Section 16(2) of the Act, ESD has filed copies of the Existing GPP and the Supplement in the office of the Clerk of the New York County and the office of the Clerk of The City of New York, and pursuant to Sections 16(2) and 16(3) of the Act has provided copies thereof to the Mayor of The City of New York, the Borough President of Manhattan, the Chair of the City Planning Commission, and the respective Chairs of Manhattan Community Boards 2 and 6. Copies of the Existing GPP and the Supplement will also be available at the Public Hearing.

Receipt of Comments

Comments on the proposed Supplement are requested and may be presented to ESD (a) orally or in writing at the hearing on November 2, 2016, or (b) or before 5:00 p.m. December 2, 2016, presented in writing (i) electronically by e-mail at farleyredev@esd.ny.gov (ii) in hardcopy at 633 Third Avenue, New York, New York 10017 (Attention: Regina Stephens) or (iii) by facsimile transmission to (212) 803-3778 (Attention: Regina Stephens). Comments received after 5:00 p.m. December 2, 2016 will not be considered.

Dated: October 3, 2016

New York, New York

NEW YORK STATE URBAN
DEVELOPMENT CORPORATION D/B/A
EMPIRE STATE DEVELOPMENT

By Eileen McEvoy
Corporate Secretary