

subject to a required public contributions for the up-front infrastructure requirements necessitated by the railroad overbuild. In this regard, we propose to consolidate yard operations to the two eastern most parcels, leaving the western block available for development without an overbuild platform.

For construction of the required platform of approximately 167,000 sq. ft., Bovis preliminarily estimates a cost of approximately \$108 million, exclusive of track relocation and power substation and signal work (*See attached Bovis Numbers*). Estimates for these latter two items require more detailed discussion with the LIRR, but we are confident that the total public investment for infrastructure required for our project will be materially less than that required by our known competitor. At this stage, we are comfortable that this investment will not exceed \$150 million, and this number might be further reduced after we obtain a better understanding of LIRR's requirements. We also confirm our understanding and acceptance for ongoing platform maintenance expenses.

While the City and ESDC's current posture makes discussion of this investment requirement somewhat premature, we believe that if the MTA were to make clear its preference for our proposal - based both on the proposed economics, its feasibility given our approach to legitimate community concerns and other factors - public investment will be made available for our project.