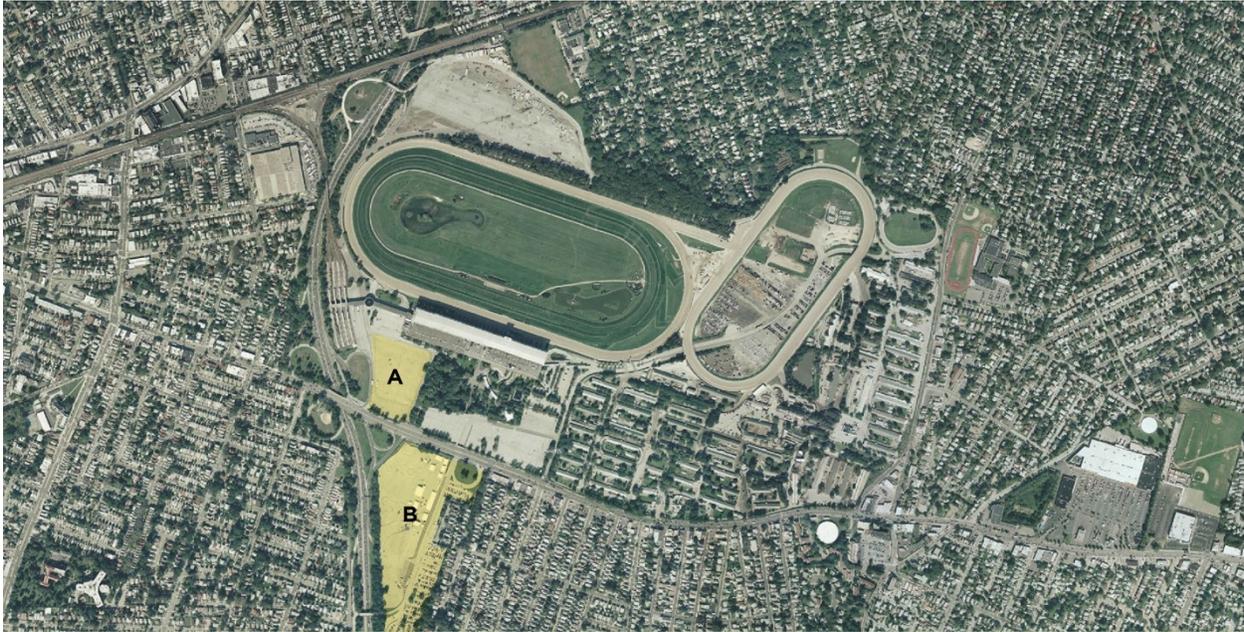


EMPIRE STATE DEVELOPMENT CORPORATION

BELMONT PARK REDEVELOPMENT STUDY

REQUEST FOR PROPOSALS



REAL ESTATE MARKET ANALYSIS

ECONOMIC FISCAL IMPACT ANALYSIS

GAMING ANALYSIS

DEVELOPER SOLICITATION GUIDANCE

May 4, 2009

INVITATION

The New York State Urban Development Corporation d/b/a the Empire State Development Corporation (“ESDC”) is issuing this Request for Proposals (“RFP”) to solicit proposals for a real estate market analysis, which shall also include (i) an economic impact study and (ii) a gaming analysis, for the redevelopment options set forth in the Belmont Park Redevelopment Study (the “Study”). Additional related services are also requested as described below under Scope of Work.

BACKGROUND

Since its coronation into thoroughbred racing in 1905, Belmont Park (“Belmont”), located in Elmont in Nassau County, has been a prominent destination for horseracing enthusiasts. The jewel of the Racetrack and final leg of the Triple Crown, the Belmont Stakes, continues to thrill crowds each June. Despite its proximity to parkways and the Long Island Railroad, and its idyllic setting among 400 acres of property, the full economic development potential of Belmont has not been realized.

Pursuant to the New York Racing Association’s (“NYRA”) bankruptcy plan and settlement agreement, NYRA conveyed its right, title and interest in Belmont to the State of New York, and a ground lease was then entered into between the State and NYRA, which is now the tenant in possession of Belmont.

In recognition of the potential value of this State asset, Governor Paterson directed the ESDC and the New York State Racing & Wagering Board (“RWB”) to explore a range of redevelopment options for two parcels, totaling 36 acres, at Belmont. Working with stakeholders to define a range of possible options for the parcels that would create new jobs, generate additional tax revenue, and bolster economic development in Elmont, Bellerose, Floral Park, Queens Village and other nearby communities, the Study identified a number of redevelopment options for each of the parcels. The Study can be obtained from the ESDC website at: <http://www.empire.state.ny.us/Belmont/default.asp>. These options must now undergo additional analysis for market feasibility and economic impact in order to determine the most marketable and economically beneficial uses for the parcels which would then be the subject of an RFP(s) to develop the parcels.

The two parcels for redevelopment (Site A at approximately 8 acres, and Site B at approximately 28 acres) are currently vacant parking lots (collectively, the “Site” or “Sites”). Development on the Sites would need to be undertaken pursuant to a competitive process approved by the Franchise Oversight Board (“FOB”). Furthermore, Site A carries restrictions that any future development must be complementary to horse racing and pari-mutuel wagering. The market analysis and related components are to address only these two parcels at Belmont.

The Study proposed the introduction of Video Lottery Terminals (“VLTs”) based on responses from the stakeholder sessions and the use limitations on Site A. ESDC recognizes that the possibility for VLTs at Belmont requires that legislation be authorized to allow this use.

SCOPE OF WORK

The Study provides a basic understanding of the Site and its relationship to the local and regional area. The redevelopment options identified in the Study are the result of stakeholder feedback tested against criteria for evaluation developed for the Study, and then further evaluated with input from the developer community. These redevelopment options must be further analyzed in the context of market conditions, economic feasibility and fiscal impacts prior to ESDC soliciting developer interest. The requested analyses shall be conducted for each of the development parcels, with consideration given to both their ability to be redeveloped independently and together as complementary uses.

The consultant selected pursuant to this RFP (the “Consultant”) shall consider the criteria for evaluation and the specific redevelopment options identified in the Study in performing the following tasks:

MARKET ANALYSIS

The Consultant shall prepare market studies to determine the demand for the uses the Study proposes for each of the Sites. These studies shall consider the following, but not be limited to: economic and demographic data; employment trends; supply and demand of specified uses; occupancy/vacancy/leasing rates; absorption rates; new development trends; market viability and demand forecast. Estimated development costs and pro forma projections shall be utilized to conclude which of the Study’s development options constitute the highest and best use for each parcel.

ECONOMIC FISCAL IMPACT ANALYSIS

The Consultant shall conduct an analysis of the economic impact of the proposed uses identified in the Study. This shall include but not be limited to: capital investment; jobs created; consumer spending and tax revenues to the local and regional area.

GAMING ANALYSIS

The Consultant shall prepare a gaming analysis to determine the effects of introducing VLTs at Belmont. Demographic data from the above analysis tasks should be utilized to determine such items as: target audience; propensity for repeat visits; competitive location issues; etc. Revenues generated from the VLTs shall be projected and utilized in determining what the public and private costs would be for redeveloping the Sites.

DEVELOPER SOLICITATION GUIDANCE

The Consultant shall assist ESDC in producing a Development Strategy based on the results of the above tasks. The Consultant shall make a recommendation of the uses to be the subject of a developer solicitation RFP(s). The Consultant shall also assist ESDC in preparing the RFP(s) for developer solicitation and advise ESDC throughout the developer selection process, including

evaluation of the economic development impact of the developer responses. Consequently, the Consultant shall not be eligible to participate or advise on any developer bidding on the Sites.

OTHER SERVICES

The Consultant shall participate in meetings and make presentations at the request of ESDC throughout the duration of the project.

DELIVERABLES

The Consultant shall provide meeting minutes from all project status meetings and any other meetings for which they are in attendance. The Consultant shall produce a separate report for each analysis component.

QUALIFICATIONS

The Consultant team is required to have expertise in all disciplines relevant to the scope of work summarized above. The use of subconsultants is acceptable, but these subconsultants must be identified in the submission made in response to this RFP. The criteria to be used as guidelines in selecting a prospective Consultant are as follows:

1. The chosen Consultant (team) must have demonstrated experience with performing market studies and economic analyses for hotel, retail and residential development projects in New York State and on Long Island;
2. The chosen Consultant (team) must have a demonstrated understanding of gaming operations in New York and the region;
3. The chosen Consultant must include a senior team member with significant experience in real estate development and/or investment. This person will have demonstrated experience in developing competitive opportunities and a history of successful transactions with private sector, real estate investments;
4. The chosen Consultant (team) must have demonstrated experience with working for municipalities and agencies of the State of New York;
5. The chosen Consultant (team) must have demonstrated experience in preparing RFP's for developer solicitation and advising development clients; and
6. The consultant shall explain how the firm/team will make a good-faith effort to meet ESDC's Non-Discrimination and Affirmative Action Policies (see below).

SUBMISSION PROCEDURES

Interested firms/teams are required to follow the guidelines and instructions contained in this RFP. At its discretion, ESDC may make clarifications or amend this RFP at any time. In the

event it becomes necessary to revise or amend any part of this RFP, all revisions, clarifications, and changes will be provided by addenda posted on the ESDC website (www.empire.state.ny.us). **It is the responsibility of all respondents to check the ESDC website for posting of clarifications, amendments, or addenda on an ongoing basis.**

Printed material only will be accepted. All components are to be contained in a binder or folder not more than 1" thick. Submissions containing loose items will not be accepted.

A short list of consultants may be developed. The Consultants on the short list may be interviewed and may be asked to provide examples of similar successful studies.

Please send six (6) copies of your response to be delivered no later than **May 29, 2009, 10:00 a.m. EST** to:

Rachel Shatz
VP, Planning and Environmental Review
Empire State Development Corporation
633 Third Avenue, 34th floor
New York, NY 10017

Questions are to be directed in writing to Rachel Shatz **via facsimile** only to:
212-803-3855.

ESDC staff will make the final selection of the prospective Consultant. ESDC reserves the right to require any respondent to exclude or replace one or more subconsultants included in respondent's proposal with other subconsultants satisfactory to ESDC. It is anticipated that the review of submissions will be completed within four weeks of the submission due date. The Consultant's work is expected to commence immediately thereafter.

PROPOSAL CONTENT

Proposals submitted pursuant to this RFP shall be organized so that the Scope of Work (and associated assignments and fees) for each component -- the market analysis, the economic impact analysis, the gaming analysis, and developer solicitation guidance -- are clearly presented.

Proposals should provide a straightforward, complete and concise description of the firm's capabilities to satisfy the requirements of this RFP. Proposals must include, but are not limited to:

1. Executive Summary, Experience and Key Personnel
 - a. Cover Letter summarizing key points of the proposal and how the individual components will be coordinated under one contract.

- b. A history of the firm’s experience with respect to similar assignments. Proposals should identify and describe comparable work of a similar nature being performed currently or within the previous five (5) years for ESDC, or any other instrumentality of the State, or other governmental entities. Include contact names and phone numbers for such projects.
- c. Contact information including the name, address, phone and fax numbers, and email addresses of the lead firm, as well as the names, roles and contact information for the personnel who would be assigned to the engagement.
- d. Staffing Proposal, including:
 - i. Name of the lead firm(s), a description of proposed team structure, organization chart with names and titles of all team members, professional licensing information, and resumes. Identify all individuals who will be responsible for leading, and staffing each phase of work. Please also include a description of how each subconsultant will work in connection with the broader Consultant team to fulfill the Scope of Work, distinguishing the roles, responsibilities and commitment of each team member. Indicate if any of the team members are MBE/WBE (Minority Business Enterprise or Women’s Business Enterprise) as certified by New York State.
 - ii. Analysis or table of the hours estimated to be spent by each person assigned to the Project.

2. Timeline. The proposal shall include a timeline for completion of all tasks. The timeline shall detail each analysis component, inclusive of such deliverables as (but not limited to): data collection; preliminary report submission; client review; final report submission.

3. Statement of Methodology. The Statement shall include a description of the firm/team’s approach to each component of the Scope of Work, and the Consultant team’s demonstrated ability to perform these services within the proposed timeline. The Statement shall describe how the team will: determine present and future market conditions; assess site improvement needs; identify funding and financing sources; prescribe measures for project implementation; among other tasks specified in the Scope of Work. The Statement shall explain the Consultant’s proposed process for coordinating the separate components to achieve a cohesive and well integrated final product.

4. Fee Schedule. The fee proposal shall be provided as a lump sum for each of the analysis components (e.g. market analysis, economic impact analysis, gaming analysis and developer solicitation guidance). Within the lump sum fee, costs should be broken out for the individual tasks identified in the Timeline. Reimbursable expenses associated with each component shall be included in the lump sum fee for that component. For any additional services, provide hourly rates of all proposed personnel.

5. Conflicts of Interest

- a. A statement describing any potential conflict of interest or appearance of impropriety, relating to ESDC, RWB, FOB or NYRA that could be created by providing the proposed services to ESDC.
- b. Describe in detail any pending litigation and/or regulatory action brought by any oversight body or entity that could have an adverse material impact on the firm/team's ability to perform its services hereunder.
- c. State if the firm/team has ever had a prior contract with any governmental entity terminated for any reason, and provide an explanation.

6. Non-Discrimination Policy. It is the policy of the State of New York and ESDC to comply with all federal, State and local laws, policy, orders, rules and regulations which prohibit unlawful discrimination because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status, and to take affirmative action in working with contracting parties to ensure that New York State Business Enterprises, Minority and Women-owned Business Enterprises (M/WBEs), Minority Group Members and women share in the economic opportunities generated by ESDC's participation in projects or initiatives, and/or the use of ESDC's funds. ESDC's non-discrimination and affirmative action policy will apply to this initiative. The selected Consultant shall be required to use its best efforts to achieve M/WBE participation of not less than 20% of the total dollar value of the contract. A copy of each respondent's Equal Employment Opportunity Policy Statement, Staffing Plan of the anticipated workforce to be utilized on the Consultant Team and Schedule of Minority and Women Business Participation shall be included as part of the response to this RFP. The latter two forms can be found on the Required Forms for Vendors link at the ESDC website (www.empire.state.ny.us) under "RFPs/RFQs". Only the prime consultant completes the forms. In the forms, the firm is required to denote all the subconsultants it proposes to use in achieving M/WBE participation. The ESDC Affirmative Action Unit ("AAU") is available at (212) 803-3224 to assist in identifying New York State certified M/WBEs that can provide goods and services in connection with the contract.

6. Additional Certifications and Compliance

- a. Any contract resulting from this solicitation is also subject to the requirements of State Tax Law Section 5-a ("STL 5-a"). STL 5-a prohibits ESDC from approving any such contract with any entity if that entity or any of its affiliates, subcontractors or affiliates of any subcontractor makes sales within New York State of tangible personal property or taxable services having a value over \$300,000 and is not registered for sales and compensating use tax purposes. To comply with STL 5-a, all respondents to this solicitation must include in their responses a properly completed Form ST-220, a copy of which is accessible at the Required Forms for Vendors link at the ESDC website. Also in accordance with the requirements of STL 5-a, any contract resulting from this solicitation will

require periodic updating of the certifications contained in Form ST-220. Solicitation responses that do not include a properly completed ST-220 will be considered incomplete and non-responsive and will not be considered for contract award. Only the prime consultant completes *Form ST 220*, but Schedule A to *Form ST 220* requires detailed information from the subconsultants, such as tax ID number, etc., if applicable. Moreover, if applicable, certificates of authority must be attached by the prime consultant and all the subconsultants.

- b. State Finance Law Sections 139-j and 139-k (collectively, the “Procurement Requirements”) apply to this RFP. These Procurement Requirements (1) govern permissible communications between potential respondents and ESDC or other involved governmental entities with respect to this RFP; (2) provide for increased disclosure in the public procurement process through identification of persons or organizations whose function is to influence procurement contracts, public works agreements and real property transactions; and (3) establish sanctions for knowing and willful violations of the provisions of the Procurement Requirements, including disqualification from eligibility for an award of any contract pursuant to this RFP. Compliance with the Procurement Requirements requires that (x) all communications regarding this RFP, from the time of its issuance through final award and execution of any resulting contract (the “Restricted Period”), be conducted only with the designated contact persons listed below; (y) the completion by respondents of the Offerer Disclosure of Prior Non-Responsibility Determinations, and the Offerer’s Affirmation of Understanding of and Agreement pursuant to State Finance Law (each form is accessible at the Required Forms for Vendors link at the ESDC website under “RFPs/RFQs”); and (z) periodic updating of such forms during the term of any contract resulting from this RFP. Respondents must submit the Offerer Disclosure of Prior Non-Responsibility Determinations, and the Offerer’s Affirmation of Understanding of and Agreement pursuant to State Finance Law as part of their proposal.

The Procurement Requirements also require ESDC staff to obtain and report certain information when contacted by prospective bidders during the restricted period, make a determination of the responsibility of bidders and make all such information publicly available in accordance with applicable law. If a prospective bidder is found to have knowingly and willfully violated the State Finance Law provisions, that prospective bidder and its subsidiaries, related or successor entities will be determined to be a non-responsible bidder and will not be awarded any contract issued pursuant to this solicitation. In addition, two such findings of non-responsibility within a four-year period can result in debarment from obtaining any New York State governmental procurement contract.

For the purpose of compliance with State Finance Law Sections 139-j, **contacts with Rachel Shatz and Soo Kang are considered permissible.**

This is not a complete presentation of the provisions of the Procurement Requirements. A copy of State Finance Law Sections 139-j and 139-k can be found at:

<http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>

All potential respondents are solely responsible for full compliance with the Procurement Requirements. Both the prime consultant and the subconsultants must complete the forms required above.

GENERAL TERMS AND CONDITIONS

The acceptance of any Proposal shall be subject to, and contingent upon, the execution and delivery by ESDC of a contract for the services described herein, in form provided by ESDC.

- A. The contract shall contain, among other terms, certain provisions required by law or policies of the State, including, without limitation:
1. Provisions providing that the successful respondent:
 - a. is an independent contractor;
 - b. shall defend, indemnify and hold harmless the State, ESDC, and their respective officers, directors, employees and agents from and against any claims or damages relating to the respondent's acts and omissions;
 - c. shall maintain financial and other records relating to the contract and make such records available for inspection and audit;
 - d. has no conflicts of interest with, or outstanding financial obligations owing to, the State and/or ESDC.
 - e. maintains and provides the following insurance with insurers licensed to provide insurance in the State of New York: Commercial General Liability insurance of \$1 million per occurrence and \$2 million in the aggregate; Commercial Automobile Liability of not less than \$1 million; Professional Liability of not less than \$1 million; and evidence of Workers Compensation/Employers' Liability insurance. Such policies of insurance shall be in a form acceptable to, and shall include any conditions reasonably required by ESDC and shall name the State and ESDC as additional insureds;
 - f. is qualified to do business in the State of New York and is in receipt of all licenses, if any, required by applicable governmental entities; and

- g. shall represent and warrant that neither it nor any of its directors, officers, members, or employees has any interest, nor shall they acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of the services as set forth in the Contract. The successful respondent must further agree that in the performance of the services no person having such a conflict of interest shall be employed by it.

- B. News Release – Recipients of this RFP shall make no news/press release pertaining to this RFP or anything contained or referenced herein without prior written approval from ESDC. Any news release pertaining to this RFP may only be made in coordination with ESDC.

- C. Prohibited Persons – No respondent to this RFP will be selected if an individual who is an owner, shareholder, member, partner, officer or director, or otherwise a principal and/or its management team is determined, in ESDC’s sole discretion, to have been convicted of a felony or a crime involving moral turpitude, to be an organized crime figure, to be under indictment or criminal investigation, to be in arrears or in default of any debt, contract or obligation to or with the State of New York, or any of its agencies or instrumentalities or otherwise to be a prohibited person as defined by ESDC. The selected respondent and all principals thereof, if applicable, and/or owners, shareholders, members, partners, officers or directors of the respondent’s team are subject to investigation by ESDC. The selection of a respondent may be revoked in the event that any derogatory information is revealed by such investigations.

- D. Proposal Costs – ESDC shall not be liable for any cost incurred by the respondent in the preparation of its proposal to this RFP or, with respect to the respondent, for any work performed prior to the execution and delivery of the contract.

- E. ESDC shall be the sole judge of each respondent’s conformity with the requirements of this RFP and the merits of the proposal. ESDC reserves the right, in its sole discretion to: amend, modify or withdraw this RFP; waive any requirements or conditions or modify any provisions of this RFP with respect to one or more respondents; require supplemental statements and information from any respondents to this RFP; to award a contract to as many or as few or none of the respondents as ESDC may select; award a contract to entities who have not responded to this RFP; accept or reject any or all proposals received in response to this RFP; extend the deadline for submission of proposals; negotiate or hold discussion with one or more of the respondents; correct deficient proposals that do not completely conform with this RFP; reject any and all proposals and to cancel this RFP, in whole or in part, for any reason or no reason. ESDC may exercise any such rights at any time, without notice or liability to any respondent or other parties for their costs, expenses or other obligations incurred in the preparation of a proposal or otherwise.

- F. This RFP and any contract or agreements resulting herein are subject to all applicable Federal, State and local laws, rules, regulations and executive orders.
- G. Any modifications to this RFP shall be issued in writing by ESDC and posted on the website. Nothing stated at any time by any representative of ESDC, the State, or of any other entity shall effect a change in, or constitute a modification to this RFP unless confirmed in writing by ESDC. Respondents may request clarification from ESDC prior to the submission deadline. Any such clarification from ESDC must be in writing in order to be binding on ESDC.
- H. ESDC is not obligated to pay any costs, expenses, damages or losses incurred by any respondent at any time unless ESDC has expressly agreed to do so in writing.

ESDC reserves the right to modify the requirements set forth herein and to expand, limit or otherwise alter the scope of requested services.

Checklist of Statements and Forms to be Submitted with Proposal

1. EEO Policy Statement
2. Minority and Women Staffing Plan
3. Schedule of Minority/Women Owned Business Participation
4. Form ST-220
5. Disclosure of Prior Non-Responsibility Determinations
6. Affirmation of Understanding and Agreement Pursuant to State Finance Law