

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a EMPIRE STATE DEVELOPMENT CORPORATION
and
MOYNIHAN STATION DEVELOPMENT CORPORATION

**MOYNIHAN STATION
CIVIC AND LAND USE IMPROVEMENT
PROJECT**

at

James A. Farley Post Office Building,
bounded by Eighth and Ninth Avenues
and West 33rd and 31st Streets,
421 Eighth Avenue
New York, New York 10199

with

Port Authority of New York & New Jersey

**FINAL AMENDED GENERAL PROJECT PLAN
PHASE 1
June 2010**

I. INTRODUCTION

The New York State Urban Development Corporation d/b/a Empire State Development Corporation (“**ESDC**”), and its subsidiary Moynihan Station Development Corporation (“**MSDC**”), adopt this Final Amended General Project Plan for the Moynihan Station Civic and Land Use Improvement Project (the “**Project**”) in accordance with the New York State Urban Development Corporation Act (the “**UDC Act**”) to effectuate certain amendments to the General Project Plan for the Project, dated August 14, 2006 (the “**2006 GPP**”), as previously amended on March 15, 2007 (the “**2007 Amendment**”; together with the 2006 GPP, the “**Existing GPP**”). The Existing GPP, together with the amendments set forth herein (the “**2010 Amendments**”), shall constitute the Amended General Project Plan for the Project (collectively, the “**2010 Amended GPP**”). This 2010 Amended GPP reflects additional review of the Project undertaken by ESDC, MSDC, and the Port Authority of New York & New Jersey (“**Port Authority**”).

As discussed in detail below, the Project has been divided into phases for design, financing, construction, and logistical considerations. Each phase stands alone, with its own independent utility, in providing transportation, economic, and other benefits. This 2010 Amended GPP relates to the Project’s Phase 1.

Background

For more than forty-five years, ever-increasing numbers of inter-city and commuter rail passengers have entered New York through the dark, crowded, confusing, low-ceilinged, three-level subterranean maze between 7th and 8th Avenues which is Penn Station. In 1963, when the original Pennsylvania Station was demolished and existing Madison Square Garden and Two Penn Plaza were constructed overhead, the remaining underground concourses accommodated approximately 200,000 commuter trips per day. In 2008, these same concourses were overwhelmed with more than 640,000 passenger trips per day, making current Penn Station the busiest, most congested, passenger transportation facility in North America; busier than any airport in the United States; busier than Kennedy, LaGuardia, and Newark Airports combined. Penn Station already operates at more than 100% of its design capacity, and will continue to experience a rapidly growing passenger load due to, among other factors, the development expected as a result of New York City's Hudson Yards rezoning. Penn Station simply will not continue to function without capacity relief.

For more than fifteen years, plans have existed to provide capacity relief, reduce passenger congestion, decrease train dwell times, and increase security at the Penn Station complex by constructing both a spacious, sun-lit train hall ("**Moynihan Station**"), and myriad entirely new vertical access points, within the eastern portion of the historic James A. Farley Post Office Building ("**Farley**") between Eighth and Ninth Avenues in Manhattan, directly west of current Penn Station. In 2007 (pursuant to the 2007 Amendment), ESDC acquired Farley, an architectural gem designed by McKim Mead & White, architects of the original Penn Station, in order to construct the Project.

For transportation purposes, the new vertical access points and additional passenger circulation space to be created mostly below-grade by the Project's Phase 1 (defined in detail below) are critically important. Moynihan Project scope and constituents have varied, but the heart of the Project always has been to create, for the first time, passenger access from Farley to the existing railroad platforms directly below. In the first half of the last century, the platforms directly below Farley were used by the United States Postal Service ("**USPS**") to move "mail by rail." Beginning in the second half of the last century, and continuing to today, inter-city and commuter rail passengers increasingly have used these same platforms beneath Farley (the western ends of Penn Station platforms). However, because there is no direct vertical access up through Farley, such passengers must walk hundreds of feet east, on the platforms, to enter and exit Penn Station. This causes the crowded conditions both on the platforms and within Penn Station vertical access points. Moynihan Station's new connecting vertical access points, directly through Farley, will eliminate the need to walk east on the platforms to and from Penn Station, and will significantly ameliorate platform and access congestion throughout the Penn Station complex as a whole.

The Penn/Moynihan complex also will continue to be the primary transportation anchor for Manhattan's Midtown West Central Business District. Midtown Manhattan constitutes the country's largest central business district. Virtually all recent, and currently projected future, growth in Midtown is in the areas west of Seventh Avenue, including the recently rezoned Hudson Yards area. Improvements to the Penn/Moynihan complex, such as those proposed in

Moynihan's Phase 1, are critical to supporting additional rail and transit riders, which are critical to future job growth.

Recent Developments

MSDC is prepared to conclude design for the Project's Phase 1. MSDC has worked diligently to re-focus the Project on increasing train and passenger capacity at Penn, improving overall life-safety conditions within the complex, creating an iconic new inter-city train hall that also will serve commuters, and redeveloping the remainder of Farley for commercial purposes that will support costs for the new Moynihan Station.

The following recent developments provide fresh momentum for the Project, leading to the commencement of Phase 1 construction in 2010 with critical catenary relocation:

- On February 16, 2010, the United States Department of Transportation announced that Moynihan Station has been awarded an \$83M discretionary grant from the TIGER (Transportation Improvements Generating Economic Recovery) Program. The Federal government has made substantial economic stimulus funding available for transportation projects, creating new opportunities to assist in meeting project financing needs while reducing the share of costs that must be borne by state and local sources.
- On February 17, 2010, Amtrak, ESDC, and MSDC executed a Memorandum of Understanding indicating Amtrak's intent to move its passenger operations to Farley's Moynihan Station, subject to satisfaction of certain conditions.
- For the first time, the Port Authority of New York & New Jersey, a respected bi-state transportation agency with extensive experience in funding and constructing transportation infrastructure, is playing a leading role in the Project, as requested by, and in close coordination with, the New York Governor's Office.
- High speed rail is a national priority, and fixing the Penn Station bottleneck is necessary to achieve required travel time reductions on the Northeast Corridor, the country's busiest rail corridor.
- The Project has been divided into phases, each of independent utility. Phase 1's scope is set forth in Section III below. Phase 1's budget is funded as set forth in Section V(C) below.
- MSDC is ready to advance amended architectural/engineering contracts pursuant to which Phase 1 design, already significantly advanced, can be concluded and bid.

Project Phasing and Benefits

Creation of new passenger circulation space, vertical access points, platform ventilation, and related, mostly below-grade, work will constitute Phase 1 of the amended Project. Design elements of, and funding for, Phase 1 are set forth more fully below. It is critical to commence Phase 1 of the Project as promptly as possible for the following reasons:

1. The additional vertical access points and passenger circulation space provided by Phase 1 will significantly reduce the already overcrowded conditions at Penn Station.
2. Phase 1 work occurs mostly within the train shed, and therefore much of the work of necessity will occur at night and over weekends, which elongates the construction schedule. A track outage schedule to support Phase 1 construction, while preserving passenger rail operations at Penn, needs to be developed and implemented.
3. An important component of Phase 1 is the construction of critically needed additional platform ventilation, which will significantly enhance safety and security for all Penn Station passengers.
4. The Phase 1 construction will enable the timely completion of the entire Project.

The benefits of Phase 1 are significant and will be realized whether or not Phase 2 is ever constructed.

Creation of the train hall, and related work (including, of course, connection to Phase 1 elements), will constitute Phase 2 of the amended Project (as further detailed in Section III below). When design and financing of Phase 2 are more fully advanced, it is expected that a further amended General Project Plan would be proposed. The basic ESDC-MSDC relationship for Phase 2 is expected to be the same as set forth in the 2006 GPP. Specifically, ESDC, which owns Farley, would transfer ownership of Project transportation elements to MSDC, and all Farley value, whether derived by ESDC or MSDC, would be dedicated to Project costs, including Farley operation and maintenance, acquisition (mortgage payment), construction, and/or contingency costs. As set forth in the 2006 GPP and in Section XII below, any material modifications of these terms are subject to approval by the MSDC Directors.

Meeting Future Transportation Needs

The Moynihan Station Project also is an integral part of two high-speed rail corridor plans – the draft Northeast Corridor Master Plan and the New York State Rail Plan. Because existing Penn Station is already operating beyond its capacity (thereby precluding significant expansion of existing services, let alone new high-speed services), the full benefits of both Plans cannot be realized without first implementing the Project, which will serve as a catalyst for the additional investment necessary for these Plans and their benefits to be realized in full. Failing to implement the Project will condemn inter-city rail passengers to a cramped and substandard rail terminal in New York City for the foreseeable future, and will act as a bar to increased inter-city rail ridership and to the implementation of true high-speed rail service on both the Northeast and Empire Corridors. Building the new Moynihan Station will encourage travelers to patronize

rail transportation, the greenest transportation alternative, rather than driving or flying, thereby reducing congestion on area highways and at major airports throughout the New York City metropolitan region and all along the Northeast Corridor. Moynihan, beginning with Phase 1, will accommodate increased rail ridership. This, in turn, also will permit economic growth in Midtown, the region's largest generator of employment.

Changes from the Existing 2006 GPP

The revised Project is substantially similar, as an architectural and engineering matter, to the 2006 iteration of the Project set forth in the 2006 GPP. Changes include:

Phase 1:

- (a) West End Concourse will extend to approximately the south retaining wall of the train shed;
- (b) 33rd Street Connector access will be enhanced; and
- (c) Vertical access points and passenger circulation space will increase.

Phase 2:

- (d) Amtrak's front- and back-of-house will occupy approximately 100,000 square feet (compared to New Jersey Transit's 2006 plan to occupy approximately 34,000 square feet) at Moynihan;
- (e) The height of the train hall will be lower and would no longer be visible from the surrounding streets.
- (f) Intermodal Hall configuration will be reduced in height and length and will better protect Farley's historic structure;
- (g) Retail space surrounding the train hall will increase; and
- (h) Diagonal Platform (a/k/a Platform 12) will be activated for passenger use.

These changes do not alter the fundamental transportation benefits and utility to be derived from the Project. To the contrary, they are designed to enhance the benefits to be derived from the Project set forth in the previously approved 2006 GPP, and to promote the prompt commencement of construction.

II. PHASE 1 LOCATION SUMMARY

Phase 1 of the Project would be constructed mostly below grade under the Farley superblock, 421 Eighth Avenue, bound by West 31st and West 33rd Streets and Eighth and Ninth Avenues in the Borough of Manhattan, County, City and State of New York (a/k/a Manhattan Tax Block 755, Lot 40). The Farley building, inclusive of its Western Annex, contains approximately 1,350,000 square feet of useable space and is entitled to approximately 2,500,000 additional square feet of unused development rights under current City zoning (Farley was up-zoned by New York City in 2004).

As discussed below, and as described in detail in the 2006 GPP, off-site development is anticipated between 33rd and 34th Streets on the east side of Eighth Avenue in the Borough of Manhattan, County, City and State of New York, within the western portion of Manhattan Tax Block 783 (the "**Penn West**" site; referred to as the "Off-Site Premises" in the 2006 GPP).

Penn West represents a rectangle approximately 179 feet in width (from Eighth Avenue to the eastern Penn West boundary) and 197.5 feet in length (from 33rd to 34th Streets), or a “footprint” of approximately 35,352 square feet. Construction of a new mixed-use building at Penn West, which could be part of Phase 1 or Phase 2, may contain residential, hotel, and retail components, as well as substantial transportation improvements at and below grade.

III. PROJECT DESCRIPTION

The Moynihan Project consists of the design, development, construction, and operation of Moynihan Station and accompanying commercial components, as follows:

A. Moynihan Station at Farley will be a flagship transportation facility. The National Railroad Passenger Corporation (“**Amtrak**”) has indicated its intent to be the primary transportation occupant of the new Moynihan Station, subject to the negotiation of appropriate agreements with MSDC and other public agencies. In Phase 2, Amtrak would transfer from Penn to Moynihan: (i) boarding and detraining for Amtrak trains serving New York City; (ii) “front-of-house” passenger services (ticketing, waiting, baggage, etc.); and (iii) some “back-of-house” employee functions (although certain “back-of-house” employee functions are expected to remain at Penn and/or the Amtrak Service Building on 31st Street). Amtrak would utilize approximately 100,000 square feet at Farley.

B. In order to commence construction in a more timely manner, and to match scope to available budget, the Project has been divided into Phases. Construction of Phase 1, consisting largely of below-grade transportation improvements, would begin in 2010 with relocation of catenary, and conclude in approximately 2015. Phase 2, construction of the train hall and other mostly above-grade elements, would begin later but could also be concluded by approximately 2015, assuming the timely commencement of Phase 1.

Specifically, **Phase 1** of Moynihan Station at Farley would consist of the following, mostly below-grade, elements. Illustrative floor plans outlining Phase 1 improvements are attached hereto as **Attachment A**.

1. A substantially expanded West End Concourse (“**WEC**”), doubled in width and more than doubled in length (to approximately the south retaining wall of the train shed), with multiple access points up to Farley and down to platforms, which will: (i) provide access to eight tracks not currently served by the existing concourse; (ii) significantly increase passenger circulation space; and (iii) for the first time, provide space for the sale of tickets (by vending machine) on the WEC.

2. Nineteen new vertical access points (stairs, escalators, and elevators) connecting the platforms to the WEC and to subway connections and to the street through Farley. Today, no platforms are accessible from Farley; via Phase 1, nine platforms (17 tracks) will be accessible from Farley. These new vertical access points will: (i) dramatically increase passenger access/egress and circulation space, which will relieve congestion at platform and concourse levels throughout the Penn Station complex as a whole; (ii) reduce train dwell time, thereby reducing lost passenger time and permitting additional train movements; and (iii) improve safety

and security by permitting, as necessary, a much more prompt evacuation of platforms, corridors, and the station as whole than is possible today.

3. Two new above-grade entrances through Farley west of 8th Avenue, at 31st and 33rd Streets respectively, with access directly to the WEC, which will decrease congestion at Penn Station and improve access to the development district to the west. The entrances will face 8th Avenue, flanking the USPS monumental stairs.

4. A substantially widened and improved underground connection between the WEC, the 8th Avenue Subway, and Level A of Penn Station (the “**33rd Street Connector**”), running under 8th Avenue and 33rd Street between Penn and Moynihan Stations, reconfigured to be compliant with the Americans with Disabilities Act (the “ADA”). The 33rd Street Connector will remain under the control of the Metropolitan Transportation Authority (“MTA”), and the proposed improvements will be closely coordinated with MTA and NYC Transit Authority staff.

5. State-of-the-art, emergency platform ventilation for the below-grade trainshed areas west of 8th Avenue (the “**Platform Ventilation Work**”). Phase 1 will include critical design elements and features that will improve adherence, to the maximum extent practicable, to guidelines established by the *National Fire Protection Association (NFPA) Standard 130: Standard for Fixed Guideway Transit and Passenger Rail Systems* and will improve egress time from platforms to station exits.

Phase 2 of Moynihan Station at Farley is expected to consist of the following, mostly above-grade, elements. Illustrative floor plans and cross-sections outlining the Phase 2 improvements are attached hereto as **Attachment B**.

1. A new, iconic, sky-lit train hall (including a grand concourse larger than Grand Central Terminal’s main concourse), constructed largely within original Farley’s courtyard, covered by a glass roofscape, with direct vertical access to train platforms below, to the WEC, to the new Phase 1 entrances at 8th Avenue, and to new mid-block entrances on 31st and 33rd Streets, inclusive of approximately 100,000 square feet of Amtrak front- and back-of-house space and approximately 200,000 square feet of new public circulation space (the “**Train Hall Premises**”). The Train Hall Premises would include new passenger amenities, including train board and information displays, ticketing facilities, waiting areas, customer service, and ADA accessibility. Farley’s courtyard walls would be restored, with stonework and mortar cleaned and refurbished. This new gateway would generously and comfortably accommodate both existing passengers and future ridership increases.

2. An Intermodal Hall between the 31st and 33rd Street mid-block entrances, one level up from the Train Hall Premises, with another glass and metal skylight, which would extend the reach of the Penn Station complex further west than ever before and add additional high quality internal circulation space and interconnections to a taxi drop-off and pick-up area.

3. Further vertical access and passenger circulation space, resulting in, when compared to existing Penn: (i) an overall approximately 30 percent increase in the combined total of

passenger stairs, escalators, and elevators; (ii) an overall approximately 50 percent increase in passenger circulation space; and (iii) access from Farley to 10 of the 12 platforms at track level.

4. Repair, preservation, and protection of Farley's historic features, including the exterior façade and the 8th Avenue monumental stairs, Corinthian columns, and entrances, with additional façade restoration, exterior lighting, and sidewalk improvement for Farley's entire perimeter.

5. "Core and shell" improvements of approximately 70,000 additional square feet for transit-oriented retail development ("**Station Retail**") surrounding the Train Hall Premises. Station Retail will not compromise or impede passenger access to or movement through the Train Hall Premises or connecting corridors.

6. Designated information center for Port Authority's AirTrain (rail service from LIRR's Jamaica Station to Kennedy Airport, and from NJT's Newark Airport Station to Newark Liberty International Airport).

7. An interior, triple-height, well-lit, through-block connection (the "**32nd Street Pedestrian Corridor**") for passengers, pedestrians, and visitors, between the Train Hall Premises and 9th Avenue, whose centerline is located not more than ten feet from the centerline of 32nd Street, with a new 9th Avenue street entrance.

8. "Core and shell" improvements for up to approximately 225,000 square feet for continuing USPS operation at Farley. The historic postal lobby at 8th Avenue will be retained by USPS and may be separately improved by USPS. Collectively, these premises constitute the "**USPS Premises**." If USPS further reduces its space (other than the historic lobby, which USPS will retain), it is expected that such surrendered space would become additional private commercial development (see III.C. below).

9. Complete renovation and new activation of the "Diagonal" (or "Mail") Platform (a/k/a "Platform 12"; hereafter, the "**Empire Platform**") and two adjacent tracks beneath Farley, which have never been used for passenger service and which will be able to accommodate additional Amtrak Empire Line and potential future Metro-North service.

C. Private commercial development of approximately 750,000 square feet at Farley is expected to occur as part of Phase 2 of the Project. This privately developed space is expected to consist primarily of retail uses, but may also include hotel and/or institutional uses. As set forth in III.B.9 above, if USPS further reduces its space (other than the historic lobby, which USPS will retain), such surrendered space would be expected to become additional private commercial development.

D. Construction of a new, mixed use building at Penn West may occur as part of Phase 1 or Phase 2, as discussed in Section V(C) below. Existing structures, including the existing open plaza, would be demolished, and an approximately 1,000,000 square foot mixed use building, expected to contain residential, hotel, and retail components, would be constructed. At or below grade, Penn West development also would incorporate access to: (i) Penn Station;

(ii) New Jersey Transit's "Access to the Region's Core" (ARC) station at 34th Street; and (iii) the 8th Avenue subway, including moving the current subway sidewalk entrance into the building line.

IV. PHASE 1 PUBLIC CONSTITUENTS AND BENEFITS

All three railroads which currently use Penn Station -- Amtrak, Long Island Rail Road, and New Jersey Transit -- will benefit from Phase 1 and Phase 2 of Moynihan Station at Farley. Phase 1 specifically will provide substantially improved passenger circulation, additional points of ingress/egress and vertical and horizontal circulation, installation of platform ventilation to below-grade platform levels west of 8th Avenue, improved safety, and a general reduction in congestion at the entire Penn/Moynihan complex.

A. Inter-City Rail Passengers, and National Railroad Passenger Corporation ("Amtrak"). Amtrak passengers at current Penn Station suffer from cramped and congested access and waiting areas, and are overwhelmed by the sheer volume of commuters passing through Penn on a daily basis. Worse, such congestion causes delays in loading and unloading inter-city trains, increasing a train's station "dwell time," and thereby causing ripple effect delays along the entire Northeast Corridor from Boston to Washington and along the Empire corridor to Albany. Phase 1 improvements will lessen congestion at Penn by providing vertical access and passenger circulation space west of 8th Avenue at Farley.

B. Long Island Commuters, and Long Island Rail Road ("LIRR"). LIRR, the largest commuter railroad in the country, will benefit from Phase 1 for the reasons set forth in the introductory paragraph to this Section IV. Specifically, LIRR customers on the western ends of trains will be able to commute through Farley without ever actually passing through Penn Station proper between 7th and 8th Avenues, particularly if they work to the west or commute further via the 8th Avenue subway lines. LIRR carries approximately 88.5 million passengers per year, of which more than 66 million use Penn Station.

C. Commuters from west of the Hudson, and New Jersey Transit ("NJT"; inclusive of NJT operations which provide service for Metro-North Railroad in New York State's Orange and Rockland Counties). NJT is the third largest, and fastest growing, commuter railroad in the country. NJT carries approximately 82.5 million passengers per year, of which 47.5 million use Penn Station. The expansion of the WEC south to Platforms 3 through 6 will permit significant numbers of NJT riders direct access to the 8th Avenue subway, to the street west of 8th Avenue, and to Manhattan's far West Side. The WEC expansion also will permit further connection to NJT's Platforms 1 and 2 to be constructed in the future, which would enable NJT riders to access all existing tracks serviced by NJT from Moynihan Station. The Moynihan Project also will be coordinated with NJT's separate "Access to the Region's Core" project ("ARC"), and its new station at 34th Street.

D. Subway Riders, and New York City Transit Authority. The 33rd Street Connector, running under 8th Avenue and 33rd Street between Moynihan and Penn Stations, and providing direct access to the 8th Avenue subway A, C, and E lines, will be widened to

accommodate the growing numbers of inter-city, commuter, and transit passengers and will be reconfigured to comply with ADA requirements. Widening of the 33rd Street Connector will require the reconfiguration of turnstiles serving the southern end of the Eighth Avenue subway station at 34th Street. MSDC will coordinate this work with MTA and NYC Transit.

V. PHASE 1 ESSENTIAL TRANSACTION TERMS

A. Construction beneath Farley

The WEC, 33rd Street Connector, and the Platform Ventilation Work would be constructed beneath Farley, and the new Eighth Avenue entrances would be constructed above-grade at 31st and 33rd Streets. Design of Phase 1 elements has been substantially advanced and is expected to be concluded within approximately nine months. The Phase 1 construction schedule is approximately five years, with an approximate 2015 end date. The schedule is elongated by the fact that most of the Phase 1 work is below-grade, within the Penn complex train shed, and therefore requires night and weekend work in order to avoid impacting train operations.

B. Legal Relationships

ESDC is expected to retain ownership of Farley throughout substantial completion of Phase 1. It is expected that:

- (1) Amtrak will retain control of the train shed, and an easement will be entered into with Amtrak for the WEC expansion;
- (2) An agreement for the operation of the expanded WEC will be entered into with, as required, Amtrak, MTA, LIRR, and/or NJT;
- (3) MTA will continue to control the 33rd Street Connector; and
- (4) Amtrak will take ownership and operation of the Platform Ventilation Work upon its substantial completion.

C. Sources and Uses of Funds

Phase 1 is estimated to cost approximately \$267 million, as set forth below, inclusive of final pre-construction services and of construction. The total estimated cost includes a contingency factor of 10% (approximately \$25 million) to address potential overruns, considered sufficient given Phase 1's advanced design.

Phase 1 costs are estimated as follows:

| | |
|--|-----------------------|
| WEC, vertical access points, new 8 th Avenue entrances, and 33 rd Street Connector | \$ 139,330,998 |
| Platform Ventilation | 127,800,584 |
| TOTAL USES | \$ 267,131,582 |

Funding for these estimated costs is anticipated as follows:

| | Status | Funds Remaining |
|---|---------------|------------------------|
| Prior Federal | | |
| PL 104-59 (ISTEA/NHSDA) | Executed | \$ 5,167,062 |
| PL 105-66 | Executed | 12,000,000 |
| PL 105-178 (TEA-21) | Executed | 16,478,285 |
| FY 01 PL 106-346 | Not Executed | 19,956,856 |
| FY 02 PL 107-87 | Not Executed | 20,000,000 |
| FY 03 PL 108-7 | Not Executed | 19,870,000 |
| SAFETEA-LU | Not Executed | 15,000,000 |
| FHWA | Executed | 1,246,067 |
| Total Federal Sources | | \$109,718,270 |
| Federal ARRA Application | | |
| TIGER Discretionary Grant | Awarded | \$ 83,000,000 |
| Prior State/Local | | |
| Port Authority of New York & New Jersey | Not Executed | \$ 10,000,000 |
| Metropolitan Transportation Authority | Not Executed | 35,000,000 |
| Other State and Local Funds (CMAQ application pending) | Not Executed | 30,000,000 |
| Total State/Local Sources | | \$ 75,000,000 |
| TOTAL SOURCES | | \$267,718,270 |

It is anticipated that Phase 1 will be publicly funded, as set forth above. However, as or if necessary for budgetary reasons, the Phase 1 scope could be limited (for example, by deferring the Platform Ventilation Work to Phase 2), or in the alternative, additional funds may be generated, as was anticipated in and approved as part of the 2006 GPP, by entering into a transaction allowing the utilization of 1,000,000 square feet of Farley development rights at Penn West at some point during Phase 1. In connection with this alternative, ESDC would lease Penn West to a private third-party for development substantially in conformity with a Building and Site Plan attached hereto as Attachment C. The Penn West interior public space and through-block connection shown on Attachment C would be designed and operated to conform to certain conditions set forth in a consent letter from the Chair of the City Planning Commission dated June 21, 2006. Design elements include, but would not be limited to, seating, plantings,

lighting, and other appropriate amenities. Hours of operation would be similar to other indoor public spaces (approximately 7AM to 10PM) and prominent signage would be provided to indicate the public nature of this space. The Penn West interior public space, subway stair relocation, and through block connection would be required to be substantially complete prior to issuance of a Temporary Certificate of Occupancy for Penn West.

As an alternate to Penn West, ESDC and MSDC may propose the utilization of Farley development rights at another location or locations in the vicinity of Farley other than Penn West. In that event, appropriate steps would be taken to modify this GPP in conformance with the UDC Act and New York State Environmental Quality Review Act (“SEQRA”).

VI. ESDC, MSDC, AND PORT AUTHORITY PARTICIPATION

In order to implement the Project’s Phase 1, ESDC will conclude: (1) appropriate environmental review under SEQRA; (2) all necessary transaction documents; and (3) required override of local law under the UDC Act. Specifically, ESDC will:

- (A) Serve as lead agency pursuant to SEQRA and be responsible for performing any additional environmental review required by applicable law;
- (B) As necessary for Phase 1, subject portions of Farley to a condominium regime pursuant to Article 9-B of NYS Real Property Law and in accordance with condominium declarations and by-laws;
- (C) With MSDC, enter into requisite condominium leases, easements, and other related Phase 1 transaction documents, upon the terms generally described under Section V, “Phase 1 Essential Transaction Terms” above, pursuant to Sections 6 and 9 of the UDC Act;
- (D) When or as necessary, acquire an interest in the Penn West site; and
- (E) Override local law as it would otherwise apply to the Project’s Phase 1, pursuant to Section 16 of the UDC Act (as specifically set forth under Section VII, “Override of Local Law; Standards” below).

The Port Authority has assisted ESDC and MSDC in the development of Phase 1 of the Project, including (among other things) the review and revision of estimated Phase 1 construction costs, the preparation of applications for potential Federal financial assistance, and the review and revision of proposed design and construction documents. It is anticipated that the Port Authority will continue to participate in Phase 1 of the Project and in future Phases of the Project. Subject to the direction of the New York Governor’s Office and approval by the Port Authority’s Board of Commissioners, as required, such participation may, without limitation, include the following activities in connection with Phase 1: negotiating the terms and conditions of, and overseeing the administration and performance of, design and construction contracts for Phase 1; negotiating the terms and conditions of, and overseeing the administration and performance of, leases, easements, force account agreements and/or other Phase 1 transaction documents with Amtrak, commuter railroads, private developers, and other interested

parties; and the provision of financial assistance in support of Phase 1 of the Project, to the extent necessary or desirable to supplement other public and private sources of funding.

ESDC, MSDC, and the Port Authority also are coordinating the Project with, among others:

- U.S. Department of Transportation
- Federal Railroad Administration
- National Railroad Passenger Corporation (Amtrak)
- Federal Transit Administration
- Federal Highway Administration
- United States Postal Service
- New York State Department of Transportation
- New York State Office of Parks, Recreation and Historic Preservation
- Metropolitan Transportation Authority (including Long Island Rail Road and NYC Transit Authority)
- New Jersey Transit
- The City of New York
- New York City Economic Development Corporation
- New York City Department of City Planning
- New York City Department of Transportation
- New York City Department of Buildings

VII. OVERRIDE OF LOCAL LAW; STANDARDS

Although rail passenger stations are not as-of-right under New York City zoning regulations, the Project would not conflict with overall zoning policy for Farley. The Project's proposed changes to Farley would simply extend existing rail passenger service westward, and would not require any new structures or expansion of building floor area at Farley. Nonetheless, ESDC will exercise its powers under the UDC Act to override local regulation inconsistent with Moynihan Station, including New York City Zoning Resolution ("ZR") 74-62 (railroad passenger stations). Further, in connection with Penn West as necessary, ESDC would override portions of the ZR relating to FAR and bulk regulations otherwise applicable at the Penn West site, as specifically set forth below. Penn West's required size dictates that such portion of the Project will be developed in accordance with Project Standards.

ESDC and MSDC find that it is not practicable for the Project to comply with the ZR. Specifically, ESDC and MSDC will override the ZR, including:

- (i) ZR 74-62: Railroad passenger stations;
 - (ii) ZR 74-763 and 81-231: Reduction in size of previously bonused urban plaza;
 - (iii) ZR 81-211: Permitted floor area;
 - (iv) ZR 81-26 and 81-27: Height and setback regulations;
 - (v) ZR 81-45: Pedestrian circulation space;
- and, to the extent necessary:
- (vi) ZR 81-46: Relocation of subway stairway entrance onto zoning lot; and
 - (vii) ZR 74-52: Special Permit required for public parking.

Nonetheless, the override will not create a new zoning lot on Block 783 (the One Penn Plaza block), which shall continue to be one zoning lot. Penn West will be consistent generally with underlying zoning, which encourages taller towers on the avenues, and will be compatible with neighboring dense commercial and residential developments in the area.

VIII. UDC ACT SECTION 10(d), 10(c) AND 10(g) FINDINGS; PUBLIC PURPOSE

Based on the information set forth in this 2010 Amended GPP and other due investigation conducted by ESDC and MSDC, ESDC and MSDC hereby reaffirm the UDC Act Findings set forth in the 2006 GPP, as follows:

A. Civic Project Findings: UDC Act Section 10(d)

- (1) 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.

There exists within the Project location on the West Side of Manhattan in New York City a need for the Project, inclusive of Moynihan Station. The Farley Building, which is largely vacant, is an important historic and cultural resource and is in need of protection, repair, preservation, and beneficial reuse. Penn Station is operating above capacity and is not adequately designed to accommodate either its existing passenger load or the growth in passenger load expected in the coming years. Additional station capacity, and the integration of that additional capacity with Penn Station and the mass transit facilities currently serving the area, is needed to provide New York City and the region with the modern, interconnected and cohesive rail transportation hub that is essential to support future economic growth.

- (2) The Project consists of a building or buildings or other facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purpose.

The Project consists of facilities suitable for the civic purposes of preserving an historic and cultural resource and providing transportation facilities. In particular, the Project will remediate asbestos conditions within the Farley Building, and restore and preserve the historic features of this important cultural resource. Within and beneath the Farley Building, the Project will also result in a number of public transportation improvements, including but not limited to: (i) new emergency ventilation facilities; (ii) a substantially expanded WEC; (iii) an expansive train hall, including a grand concourse; (iv) the Intermodal Hall; (v) additional “back of house” space for Amtrak; (vi) a multiplicity of new vertical access points between the Farley Building and the western ends of the Penn Station platforms directly beneath Farley; and (vii) renovation and expansion of the Empire Platform. These improvements will be funded through a combination of public and private sources, with the private funds generated through: (a) re-use and redevelopment of portions of the Farley Building; and (b) off-site utilization of unused development rights (floor area) attributable to the site of the Farley Building, in order to avoid the adverse effects that “overbuild” construction would have on an historic building. Thus, some of the development will be constructed within the Farley Building to provide retail and commercial uses to support and complement the rehabilitation of the Farley Building and the

construction of Moynihan Station. This re-development of the Farley Building will generate financial support for construction of the transportation improvements described above, and at the same time utilize and preserve an important cultural resource. In order to protect the historic character of the Farley Building and to generate essential financial support for construction of the transportation improvements, additional development rights associated with the Farley site will be utilized off-site, rather than to construct a tower over the Farley Building itself. In addition, the Project will substantially widen and improve the underground 33rd Street corridor connecting Moynihan Station, Penn Station and the 8th Avenue Subway (the 33rd Street Connector), and will provide interconnections between the mixed-use building at the Penn West site and Penn Station and the 8th Avenue subway. This work will be coordinated with the ARC Project, which is providing connections between Penn West and the ARC station. Upon construction of these improvements, the Project will consist of a multi-dimensional transportation facility integrating newly constructed transportation components with related adjoining and supporting commercial and residential development and existing transportation facilities.

- (3) The 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 adequate provision has been, or will be, made for the payment of the cost of the acquisition, construction, operation, maintenance and upkeep of the Project.

Farley is owned by ESDC, and ESDC will have an interest in the Penn West site, and adequate provision has been, or will be, made for the payment of the cost of the acquisition, construction, operation, maintenance and upkeep of the Project. Any sale or lease of the facilities, or portions thereof, will require that the owner or lessee carry out the Project's civic purposes and operate, maintain, and upkeep the Project.

- (4) The plans and specifications assure or will assure adequate light, air, sanitation and fire protection.

The plans and specifications for the Project assure adequate light, air, sanitation and fire protection for the Project. Phase 1's Platform Ventilation, and the creation of additional passenger circulation space and vertical access points, will substantially enhance safety and security for the Penn Station complex as a whole.

B. Land Use Improvement Project Findings: UDC Act Section 10(c)

- (1) The area in which the Project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.

Considered as a whole, the Project site (comprised of the Farley Building, Penn West, and the 33rd Street Connector, an adjoining below-grade pedestrian passageway connecting Penn Station to the WEC and 8th Avenue Subway) is substandard, and the site is significantly underutilized. The Farley Building is a 100-year old facility that is in need of significant systems upgrade, façade renovation, and capital improvement. The 33rd Street Connector is too narrow for the volume of passenger/pedestrian traffic that it must bear and does not meet ADA-

accessibility standards. At present, approximately 75% of Farley's total 1.4 million square feet is vacant, but would be restored to productive use by the Project. At Farley, there are approximately 2.5M additional square feet of unused transferable development rights ("TDRs"; over and above the 1.4M SF built area) available under the New York City Zoning Resolution. The Project anticipates using approximately 1,000,000 SF of the Farley TDRs at Penn West. The utilization of these development rights at the Project site locations will foster efficient regional growth due to the site's immediate proximity to the City's largest regional rail and mass transit hub and is in the public interest. The utilization of Farley's significant unused development rights adjacent to the rail and transit hub would not occur without the Project.

- (2) 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 Project calls for Farley's rehabilitation, the redevelopment of the Penn West site with appropriate rail and transit interconnections, and the widening and improvement of the adjoining 33rd Street Connector.

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

The development of Penn West, and the further private development at Farley and via Farley's additional transferable development rights as part of Phase 2, will be an integral part of and coordinated with the Project.

C. UDC Act Section 10(g)

Necessary relocation of any Project location site occupants will be performed in accordance with applicable law. ESDC and MSDC understand that there are no residential occupants at the Project location and, accordingly, no residential relocation is required under UDC Act Section 10(g).

IX. ENVIRONMENTAL REVIEW

A. ESDC, acting as lead agency pursuant to the requirements of SEQRA and the implementing regulations of the NYS Department of Environmental Conservation, completed a Final Environmental Impact Statement for the Project in August 2006 (the "**FEIS**"). At a meeting on August 14, 2006, the Directors adopted SEQRA Findings (the "**SEQRA Findings**"), which concluded the SEQRA process at that time. Due to the 2010 Amendments, ESDC and MSDC worked with their environmental consultants to prepare a draft Technical Memorandum, dated March 2010 (the "**Technical Memorandum**") to assess whether new information, changed circumstances, and proposed changes to the Project, including both Phase 1 and Phase 2, specifically including the proposed 2010 Amendments (including potential design changes, changes to schedule, and other changes in circumstances), result in any new or substantially different significant adverse impacts than what had been described in the Project's FEIS or SEQRA Findings. The draft Technical Memorandum concluded that the 2010 Amendments do not result in any new or substantially different significant adverse impacts, and that, if the 2010 Amended GPP were to be affirmed in substantially the form proposed, there would be no need

for a supplemental environmental impact statement. The draft Technical Memorandum was made available for public review, has now been finalized, and continues to conclude that no new significant adverse impacts would result from the Project as described in the 2010 Amended GPP that were not previously considered in the FEIS and SEQRA Findings. Accordingly, no Supplemental Environmental Impact Statement is required in connection with affirmation of the 2010 Amended GPP. The June 2010 final Technical Memorandum is attached hereto as Attachment D.

B. The Federal Railroad Administration (“**FRA**”), the Federal Highway Administration (“**FHWA**”), the Federal Transit Administration (“**FTA**”), and USPS are required to comply with the National Environmental Policy Act (“**NEPA**”) and related laws and regulations in connection with the Federal funding being extended to Moynihan Station, and the continued occupancy of certain space within Farley by USPS. During the initial stages of the Project, FRA had taken the lead in conducting the environmental review under NEPA and had issued a Finding of No Significant Impact (“**FONSI**”) for the Project as it existed in September 1999. In 2006, in connection with ESDC’s acquisition of Farley, USPS assumed the role of NEPA lead agency (with FRA and FHWA participating as cooperating agency and consulting agency, respectively), and USPS issued a FONSI at that time. With respect to the current proposal, the lead agency for purposes of NEPA is again FRA. FRA is currently considering a draft Environmental Assessment (“**EA**”) for the Project that ESDC and MSDC submitted to FRA in August 2009. This draft EA analyses the full Project in detail, including Phase 1 and Phase 2.

C. The environmental analyses presented in the FEIS, Technical Memorandum and EA were based upon various assumptions and commitments with respect to the Project. The Project will conform to those assumptions and commitments. In particular:

1. The Project will be designed in consultation with the State Historic Preservation Office (“**SHPO**”) pursuant to an amended Programmatic Agreement to be entered into with SHPO and other appropriate parties.
2. In connection with the construction of the Project, MSDC and ESDC will:
 - prepare a plan, in consultation with MTA and its constituent agencies, Amtrak, and NJT that would include measures to minimize, to the extent practicable, temporary disruptions to transit and railroad operations;
 - coordinate construction activities with other large scale transportation projections under construction in the vicinity of the Project, including the ARC Project;
 - require the development of and adherence to measures designed to avoid impacts on those exterior and interior portions of the Farley Building to be preserved as part of the Project;
 - require the development of and adherence to measures designed to avoid damage to historic resources that are located within 90 feet of proposed construction activities (namely, the former J.C. Penney Company building at

331-343 West 33rd Street and former William F. Sloan Memorial YMCA at 360 West 34th Street);

- require that construction activities be performed in accordance with the substantive requirements of the New York City Air Pollution Control Code applicable to the control of fugitive dust emissions;
- require that construction activities with the potential to generate dust be conducted using measures that will include wetting of exposed areas and the utilization of dust covers on trucks, as needed to minimize dust emissions;
- require the implementation of measures to minimize vehicle and equipment-related emissions, including limiting unnecessary engine idling, both on-site and on-street, to three minutes; using electrical grid power to power electric engines in lieu of diesel engines where practicable; minimizing the use of generators to the extent practicable; using ultra low sulfur diesel fuel exclusively for all nonroad diesel powered engines; using exclusively nonroad engines certified by EPA as Tier 2 or higher; and using diesel engines equipped with diesel particle filters (DPF) or equivalently effective controls for all nonroad diesel engine applications with a power output rating of 50 horsepower (hp) or greater;
- to the extent necessary, require that additional environmental investigations be conducted to determine the potential for contamination at locations where excavation or soil disturbance will take place;
- where contamination has been or is identified, require that appropriate measures be taken to remove or otherwise address such conditions in accordance with the regulations, practices and protocols identified in the Technical Memorandum, including, as appropriate, preparation of and adherence to proper Health and Safety Plans, Soil Management Plans, Soil Gas Management Plans and Groundwater Management Plans;
- require that asbestos-containing materials (“ACM”), lead based paint, PCB-containing equipment, and electrical switching devices containing mercury are properly removed, handled, disposed of and otherwise managed in accordance with the regulations, practices and protocols described in the Technical Memorandum, including, as appropriate, preparation of and adherence to proper ACM Material Management Plans, Lead Based Paint Management Plans and PCB-Containing Equipment Management Plans;
- require development of and adherence to a plan, prepared in coordination with the Mayor’s Office of Construction, to minimize disruptions to traffic and pedestrian flows during the construction period;

- require adherence to standard practices for the protection of pedestrians during construction, including but not limited to providing covered temporary pedestrian walkways, as appropriate; and
- require compliance with the substantive provisions of the New York City Noise Control Code relating to construction-related noise and U.S. EPA noise emission standards for construction equipment, and the employment of best management practices, such as low-impact machines and ground improvement to limit vibration.

3. ESDC and MSDC will consult with the New York City Department of Transportation to seek implementation of: (i) the traffic control measures identified in the Technical Memorandum (e.g., signal re-timing, changes to curbside parking regulations and road re-stripping); and (ii) cross walk widenings at the locations indentified in the Technical Memorandum to improve pedestrian flows at those locations.

X. BUILDING CODE

The construction of the Project will conform to the substantive provisions of the New York City Building Code except in certain areas of Farley where design renders conformance not feasible. In such areas of Farley, it is expected that ESDC, MSDC, and Port Authority (as applicable) will consult with NYC Department of Buildings regarding development of appropriate engineered solutions to achieve the Building Code objectives using alternative means, methods, and designs.

XI. AFFIRMATIVE ACTION

ESDC’s Non-Discrimination and Affirmative Action policies will apply. There is a 20% Minority/Women-owned Business Enterprise contractor and/or subcontractor participation goal during development of the Project, and an overall goal of 25% minority and female workforce participation during construction of the Project.

XII. MSDC DIRECTORS

Any material modifications of the terms and conditions of this 2010 Amended GPP are subject to approval by MSDC Directors as set forth in the MSDC Certificate of Incorporation and the MSDC By-Laws.

ATTACHMENTS

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| Attachment A | Phase 1 Floor Plans |
| Attachment B | Phase 2 Floor Plans |
| Attachment C | Penn West Building and Site Plan |
| Attachment D | Final SEQRA Technical Memorandum |