

FOREST CITY RATNER

C O M P A N I E S

MARYANNE GILMARTIN
President & Chief Executive Officer

April 28, 2014

Mr. Kenneth Adams
President & CEO
Empire State Development Corporation
633 Third Avenue
New York, NY 10017-6754

Dear Mr. Adams:

Last week we met with the MTA/LIRR to share some good news about a potential opportunity for their consideration. As a result of our recent partnership with the Greenland Group, Atlantic Rail Yards, LLC (ARY) will be in the position to accelerate the construction of certain platform and building foundation work, which, if done concurrently with the construction of the yard, would have several benefits. It would accelerate our ability to complete the construction of the platform over the yard. It would reduce the overall duration of construction within the yard, and it would minimize the disruption in the yard for the construction of the platform following the completion of the yard. The construction of the foundations as part of the construction of the permanent yard is consistent with the methodology originally contemplated as part of the 2006 Final Environmental Impact Statement. With the benefit of having advanced the design of the foundations, we will now be able to implement this approach in a manner that is less disruptive for the LIRR, and for us, it would accelerate our ability to complete the construction of the platform, housing and open space above.

The scope of the accelerated work would have to be closely coordinated with the LIRR, but the scope that could be considered is all of the foundations for the buildings and platform in the vicinity of B5, and those foundations for B6-B10 that are accessible during the construction of Stages 3 & 4 of the yard. Installing these foundations with the yard has the following benefits:

- Pre-placement of foundations in the vicinity of the future substation, access ramp and temporary and permanent drill tracks (below B5) offers a highly significant benefit given the critical and sensitive nature of these electric and track elements.
- Pre-placing the foundations, typically, will allow the heavily loaded structural elements (foundations) to be placed at the lowest elevation wherever possible, during the open-cut excavation of the yard, and will minimize the need for extensive excavation throughout the yard after the yard has been constructed.
- As the yard is built as a "layer cake" of utilities and other substructures, including duct banks (AC + DC power, signal, communications), piping (water, sanitary and storm), retention basins, foundations and other elements, which are required to be located no less than 30" below bottom of tie and to be vertically separated, the foundations typically begin 15ft to 20ft below the elevation of

the finished Top of Rail. Pre-placing the foundations will avoid deep excavation (+15-20 feet deep) in many locations throughout the yard after the yard has been completed.

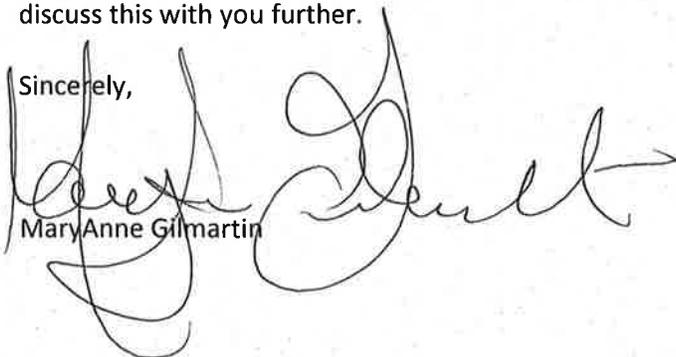
- As the working area for platform construction will be significantly reduced following the completion of the yard construction, pre-placing the foundations as part of the open-cut excavation for the yard will avoid extensive sheeting and shoring, as well as the protection, support, and underpinning in certain areas, to protect the then existing shallower utilities and structural elements that would be required if done after the completion of the yard.
- Finally, as the access to the yard will be limited to the ramp off of the 6th Avenue Bridge following the completion of yard construction, pre-placement of the foundations will reduce the overall duration of time that this ramp would need to be shared by LIRR operations and ARY construction forces.

Given the impending commencement of the next phase of the yard construction following the posting of the completion guarantee by June 30, 2014, the LIRR would need to make this decision quickly. In addition, while this approach will reduce our overall duration of construction in the yard, and minimize disruption to the LIRR's operations, the acceleration of the building and platform foundations into the yard construction will increase the short-term duration of construction of the yard itself by approximately 15 months.

If the LIRR is interested in pursuing this opportunity, ARY would request an extension of the deadline to complete the New Yard to December 1, 2017. ARY would continue to post a completion guarantee for the New Yard by June 30, 2014, and would post an additional guarantee for the foundation work following the approval by the LIRR of the work and the execution of a GMP for this additional work, anticipated to be completed by October 2014.

I hope this summary is helpful. Please let me know if you have any questions; I would be happy to discuss this with you further.

Sincerely,



MaryAnne Gilmartin

Cc: Jeff Rosen, Director of Real Estate, MTA
Helena Williams, President, LIRR