

New York State Urban Development Corporation
d/b/a Empire State Development Corporation
(“ESDC”)

Yankee Stadium Redevelopment Civic Project

GENERAL PROJECT PLAN – January 18, 2006

I. Background

The New York Yankees Major League Baseball (“MLB”) team, the most successful major league sports franchise in the history of professional sports, with twenty-six (26) World Series Championship titles (four (4) within the past ten years) and thirty-nine (39) league championships, is housed at Yankee Stadium in The Bronx. Yankee Stadium, the second oldest stadium in MLB, was constructed at its present site in 1923 and opened for its inaugural game on April 18, 1923 against the Boston Red Sox. The stadium was last renovated in 1974 to 1976, and today suffers from being too small, with outdated, cramped and inadequate services and support facilities.

The current Yankee Stadium faces physical, functional, and operational obsolescence issues. The already outdated structure cannot effectively accommodate the needs of a modern baseball team, or provide the amenities, seating, or services required for a state-of-the-art baseball facility expected by modern-day baseball fans in an ultra competitive sports marketplace. Seats, aisles, and corridors for both spectators and players are too small; the steeply raked upper deck contains the majority of the seats, but has the fewest concessions and restroom facilities, due to severe space constraints. Likewise, kitchen space is not adequate to provide sufficient food and beverage services to the stands. Clubhouse and press accommodations are also insufficient to

meet the needs of today's baseball teams and press media coverage, especially during the playoffs. In particular, parking for fans, press and visiting teams is in short supply and widely scattered, creating spillover into the surrounding stadium neighborhood. In order to accommodate the requirements of a modern day stadium, the footprint of Yankee Stadium must be significantly expanded.

As one of the world's most prestigious addresses, Yankee Stadium has also been the home of other sports, entertainment and cultural events, including college and pro football, soccer, political assemblies and gatherings, religious conventions, concerts and even the circus. On June 22, 1938, Joe Louis avenged his knockout loss at the hands of Max Schmeling two years earlier at the stadium with a first round KO in the rematch. By the time Muhammad Ali stopped Ken Norton on September 28, 1976, thirty championship title fights had been fought at Yankee Stadium. Legendary football games between the Army and Navy were a fixture at the stadium in the early part of the 20th Century. Even the New York Giants professional football team called the stadium home from 1956 through 1973. On October 4, 1965, during the first visit to North America by a Pope, Paul VI celebrated mass before a crowd in excess of 80,000; and fourteen years later, in 1979, John Paul II also made Yankees Stadium a stop on his tour of the United States.

Long an established economic and tourism revenue generator for the City of New York, the Yankees attracted in excess of four million fans to the stadium in 2005. In 2001 the City estimated that the Yankees baseball team winning the American League Pennant and participation in the World Series would give the economy of New York City a boost of an estimated \$107 to \$128 million, which included the benefits from the first and second round playoff games played at Yankee Stadium and assumed that the Series lasted four games. More recently, tourism to New York City from Japan increased by an estimated 20%, due, in large part, to the presence of Hideki Matsui, on the Yankees roster of players.

In its search for a solution to create a modern facility for the New York Yankees and their fans, the Yankees have considered a number of options, including: (i) renovation of the existing stadium; (ii) demolition and reconstruction of a stadium on the existing site; and (iii) building a new stadium in a different location. Several locations were previously carefully evaluated but eliminated due to issues such as lack of mass transit for the fans and lack of access to the highway system. Reconstruction and renovation of the existing site were also analyzed, but were found to be infeasible as a result of the limited size of the site and consequent inability to provide for the requisite amenities associated with a modern-day baseball facility. In addition, playing without a home stadium for three years would have serious adverse financial consequences for the Yankees.

Moreover, retaining the current stadium would require considerable capital expenditures for repair, replacement, and maintenance so as to permit the stadium to continue to function, even in its present, inadequate condition. The existing Yankee Stadium lease calls for the City of New York, as owner and landlord of the facility, to pay for virtually all capital repairs and upgrades. Even though the Yankees oversee the day-to-day maintenance of the stadium, the team deducts these costs from its rental payments to the City. The City spent \$31.5 million in the past five years on the stadium's upkeep, and was expecting to spend more than \$60 million through Fiscal Year 2010.

Consequently, on June 15, 2005, in furtherance of the Yankee's goal of maintaining its competitiveness and New York State's mission of economic development and community revitalization, ESDC, the City of New York (the "City"), the New York City Economic Development Corporation, and the New York Yankees Limited Partnership entered into a Memorandum of Understanding ("MOU") with respect to:

- (a) the design, development, construction, financing and operation of a new Yankee Stadium (the "New Stadium") to serve as the home field for the New York Yankees professional baseball team (the "Yankees Team");
- (b) the design, development, construction, financing and operation of certain garages to serve the New Stadium (the "New Parking Garages");
- (c) the construction of certain public infrastructure required to improve vehicular and pedestrian traffic in the vicinity of the New Stadium;
- (d) the design and development of park, recreational and other public space in the vicinity of the New Stadium ("Replacement Parkland"); and
- (e) the renovation or demolition and re-use for community purposes of the existing Yankee Stadium.

The desired improvements set forth in (a) through (e) above of the MOU are collectively referred to as the "Project," and are more fully described hereinafter.

Following execution of the MOU, the New York State Legislature enacted the following legislation in support of the Project:

- (i) authorizing the leasing of parkland and demapping of streets for development of a professional baseball stadium and associated facilities in and in the vicinity of Macombs Dam Park and John Mullaly Park in the Borough of the Bronx;
- (ii) authorizing the disposition of certain lands of the City of New York to provide for new parking facilities; and
- (iii) authorizing ESDC to issue bonds in an aggregate amount not to exceed \$74,700,000 (net of financing costs) to finance parking facilities necessary for the Project and to fund a capital reserve account for the Project (not to exceed \$4.7 million).

II. Project Location

The Project would be located in the Concourse Village neighborhood of The Bronx on: Block 2499, Lots 1, 100, and 108; Block 2354, Lots 20 and 65; Block 2492, Lot 1; Block 2493, Lot 9 (part); Block 2357, Lot 100; Block 2490, Lot 1; Block 2539, Lot 2 (part); Block 2485, Lot 1; Block 2486, Lot 1; Block 2482, Lot 6; Block 2491, Lot 1; Block 2482, Lot 25; and Block 2483, Lot 1. Additionally, a portion of East 161st Street between the Macomb's Dam Bridge Approach, a portion of Jerome Avenue between the Macomb's Dam Bridge Approach and the south side of East 164th Street, East 162nd Street between River and Jerome Avenues, and Ruppert Place between East 161st Street and East 157th Streets are also part of the project area (the "Project Area").

The Project Area is generally bounded by East 164th Street, East 151st Street, East 157th Street, River Avenue, and the Harlem River. The Project site is owned by the City of New York, except for two parcels on the west side of the Project site that are owned by the New York State Department of Transportation ("NYSDOT"), which will be conveyed to the City as surplus land, pursuant to enacted State Legislation.

The Project Area consists of several blocks, including the existing Yankee Stadium located at East 161st Street and River Avenue; portions of Macombs Dam and John Mullaly Parks, located between East 157th and East 164th Streets and River and Jerome Avenues; several surface parking lots located on the eastern side of River Avenue at East 151st and East 157th Streets and along the waterfront west of Exterior Street; the sites of additional existing parking facilities in the area; and a portion of the Bronx Terminal Market complex, west of Exterior Street between East 150th and East 153rd Streets.

A “Project Location Map” is attached hereto as Attachment A.

III. Project Goals

The goals of the Project are to develop the New Yankee Stadium to replace the outdated current stadium as a first-class baseball facility that will be suitable for the spectators and fans of the game, increase and improve parking for the New Yankee Stadium to provide off-street parking for vehicles already coming to the area, and to develop enhanced park and recreational facilities for the community, including waterfront access and improved pedestrian circulation around the New Stadium.

It is the expectation that the Project will create significant tax revenues for the State and City, create significant employment opportunities for New York residents in the construction and operation of the New Stadium facility and help to spur economic development in the Bronx. It is also expected that the Project will help to attract increased tourism to the City and State for which a world-class stadium would be an enticement for additional day-trips to the City and State and greater spending of personal income, benefiting the City and State coffers.

IV. Project Description

The proposed Project consists of the following components:

- (a) construction of an approximately 54,000 capacity, approximately \$800 million, open-air new Yankee Stadium one block north of its existing location at East 161st Street and River Avenue in The Bronx;

- (b) construction of four (4) new parking garages, Garages A, B, C, and D, containing approximately 4,735 spaces in the vicinity of the New Stadium; and

- (c) development of new and replacement recreational park facilities for a net increase of approximately 2.1 acres of parkland within the vicinity of the proposed New Stadium.

The New York City Department of Parks and Recreation (“NYCDPR”), serving as the lead agency for environmental review of the Project, proposes to allow for the development of the proposed New Stadium by the Yankees on portions of Macombs Dam and John Mullaly Parks and on one block of East 162nd Street, which would be closed and mapped as parkland. Ample space would be provided on site to accommodate all functions related to the team and game-day operations, including off-street loading, adequate areas for fans to congregate at entrances, which would be arranged along three sides of the building, but concentrated along East 161st Street, and sufficient space for circulation within. State-of-the-art seating and amenities for fans and media would be combined with modern facilities for the players, to make going to the game a comfortable, exciting, and enjoyable experience.

The proposed Project would also add to and better consolidate the off-street parking inventory in the area, by constructing four (4) new garages, thus greatly relieving the overflow of parking scattered throughout the local neighborhood in both legal and illegal spots. Three (3) of the New Parking Garages would occupy existing parkland in portions of Macombs Dam and John Mullaly Parks. Because of the change of topography in the area, the largest garage, Garage A, would be located below the elevation of Macombs Dam Bridge Approach, thereby allowing an at-grade park to be located on its roof. A garage with frontage on River Avenue at East 151st Street would offer retail space at street level. The four (4) New Parking Garages, containing approximately 4,735 spaces, along with existing parking facilities in the area, would bring the total parking spaces at Yankee Stadium to over 10,300.

The proposed Project would result in the development of approximately twenty-four and one-half (24.5) acres of new parks, an increase of over two acres over the approximately twenty-two (22) acres being displaced. The recreational facilities to be displaced by the construction of the proposed New Stadium and New Parking Garages would be replaced as part of the Project, with similar or improved facilities for active recreational uses, including, two softball fields, a regulation and a little league baseball field, tennis courts, handball courts, a running track with soccer fields and spectator stands, and four basketball court with stands. Other improvements will facilitate passive enjoyment of the park, including, seating, planting, paths, food concessions, etc. New parkland and public open space of approximately five and one half acres would be created along the Harlem River waterfront, providing new public waterfront access.

Ruppert Place would also be demapped and reconfigured as part of the parkland provided south of the New Stadium. Additionally, two (2) small passive parks will be created at 157th Street and River Avenue. More detailed descriptions of the Project's components are provided below.

Proposed New Stadium

The proposed open-air New Stadium would have a total spectator capacity of approximately 54,000 (53,000 seats and standing room for 1,000 spectators) to replace the existing approximately 56,928-seat stadium; and would include suites, food and beverage service facilities, retail space, corporate business space, function space, facilities for the media and other functions and amenities appropriate to a state-of-the-art, first-class professional sports facility. The stadium would also include an approximately 60,000 square foot plaza along 161st Street that would facilitate pedestrian movement into the stadium on game days and would be a public amenity at other times. Monument Park, which contains plaques, monuments, and retired player's numbers at the existing stadium, would be re-established in the New Stadium. HOK Sport + Venue + Event ("HOK Sport") was hired by the Yankees as the architect for the design of the New Stadium.

As designed by HOK Sport, the proposed New Stadium would be situated on the northern portion of Macombs Dam Park and the southern portion of John Mullaly Park between River and Jerome Avenues. The New Stadium structure would extend from East 161st Street to the mid-block between East 162nd and 164th Streets (see Attachment A). East 162nd Street between River and Jerome Avenues would be closed, demapped as a street and mapped as parkland. The proposed stadium would contain five (5) levels. In addition to stadium seating, the levels would include concourses, restaurants, offices, media facilities, back of the house spaces, players' facilities, and other amenities. The proposed stadium, with fewer seating spaces, would provide more comfortable spectator facilities, such as larger seats, wider aisles and concourses. It would also improve viewing conditions by locating seats closer to the field, 65 percent lower bowl to 35 percent upper bowl seating, as opposed to the current stadium where most seats are located in the upper decks. The proposed stadium would be fully Americans with Disabilities Act compliant and contain state-of-the-art technology to manage modern security and safety concerns. The proposed stadium would also contain marketing and functions facilities that would be available during non-game times and during the off-season. Ticket windows and pedestrian entries to the proposed stadium would be concentrated on East 161st Street, with additional entrances on, River Avenue, and Jerome Avenue providing greater access capacity.

Approximately 60 luxury boxes would be provided. Also, premium seat lounges would be incorporated into the New Stadium. Concession stands would be located throughout the main

concourse; the main team merchandise store would be on two levels at prominent locations, allowing entry from both the street and from the stadium; novelty stands would be situated throughout the concourse, at high traffic areas; an approximately 150-seat restaurant located at street level would provide year round operation with direct entry from outside the stadium, and additional restaurant facilities accessible from within the stadium. The approximately 150-seat restaurant is anticipated to be open to the general public on non-game days.

The New Stadium would provide space for staging the New York City Police, and a building command center for security and crowd control. The New York Yankees administrative offices would be located within the New Stadium, as is their current situation. It is anticipated that the design of the New Stadium would evoke the appearance of both the 1923 and the existing stadiums, incorporating design elements of both. The playing field would be replicated with features, dimensions, and orientation similar to that of the existing stadium. Accordingly, the proposed stadium would contain a short right field porch and home plate would be oriented in the same geographic location.

The New Stadium's exterior would be reminiscent of the 1923 Yankee Stadium, with its limestone-based exterior, arches and grand entrance designed by Osborn Engineering. The classic rooftop frieze that endured from 1923 until it was removed by the 1974-75 renovation will return. The maximum height of the New Stadium would be approximately 138 feet, same as the existing stadium, and the total built floor area for the New Stadium would be approximately 1.3 million square feet.

An affiliate of the New York Yankees Limited Partnership, in collaboration with its construction manager and its construction team, will construct the open-air New Stadium pursuant to a lease with the New York City Industrial Development Agency. The construction of the New Parking Garages and the improvement of Replacement Parkland will be the responsibility of the City, with a portion of the funding for the New Parking Garages provided by ESDC.

The exterior of the New Stadium is shown in Attachment B.

Proposed New Garages

To alleviate the insufficient parking, widely scattered locations, and spillover into surrounding neighborhood, four (4) New Parking Garages would be developed on existing surface parking lots and parkland surrounding the proposed stadium, and existing Yankee Stadium Parking Lots 13A and 13B located along the Harlem River would be repaved and restriped to replace the spaces lost to create the waterfront esplanade. Parking would be available at existing lots (except for the two existing lots located at East 157th Street and River Avenue that would become new parkland) and garages and the four New Parking Garages, all of which are anticipated to be leased by the City to private operator(s). (See Attachment C for a map of the proposed parking plan.)

Garage Facility A

Parking Garage A would be a two-level, 1,700-space garage located partially below-grade between East 157th and East 161st Streets and bounded by the Macombs Dam Bridge Approach viaduct on the northwest, Ruppert Place (a City street that will be demapped as a public thoroughfare and re-mapped as parkland) on the southeast by the site of the existing stadium, East 157th Street on the southwest, and East 161st Street on the northeast. The roof of the garage will be at the same elevation as the Macombs Dam Bridge Approach. This will allow for direct access to new recreational, athletic facilities—400-meter running track, soccer field, 500-seat grandstand, little league baseball field, handball courts, basketball courts, and children’s play area—located above the parking facility. Two-way vehicular access would be available at two locations along East 157th Street and one location at the Macombs Dam Bridge Approach.

The lowest level of Parking Garage A would connect with the lowest level of Parking Garage C below-grade, beneath the Macombs Dam Bridge viaduct, allowing for continuous vehicular circulation, as described below. In addition to the above, Parking Garage A includes certain streetscape and infrastructure improvements consisting of the construction of new sewer mains, connecting from the existing 48” main located at the northwestern edge of Parking Garage A to service both Parking Garages A and C, Ruppert Place, East 157th Street and the private business (GAL Manufacturing) located at 50 East 1503rd Street. Parking Garage A would be located in the southern portion of Macomb’s Dam Park, which currently contains recreational facilities and surface parking associated with the existing stadium.

Garage Facility B

Parking Garage B would be a 966-space, five-level (including rooftop) parking garage located south of East 164th Street at the northern end of the proposed New Stadium, between Jerome Avenue to the west and River Avenue to the east. The garage would have one level located entirely below-grade with four levels above-grade. Two-way vehicular access would be available at Jerome Avenue and River Avenue. Parking Garage B would be located in the southern portion of the John Mullaly Park, which currently contains tennis and handball courts.

It is expected that 350 spaces would be provided in Garage B at no cost to the Yankees, including visitors and guests, for its sole use in-season as well as off-season. The spaces would be separate from public parking and may be valet service.

Garage Facility C

Parking Garage C would contain 1,120 spaces with four-levels of parking, including one level of rooftop parking located southwest of East 161st Street between Jerome Avenue, Macomb's Dam Bridge Approach, and the Major Deegan Expressway off-ramp. The proposed site is currently located in a portion of Macomb's Dam Park and contains a surface parking lot with access from East 161st Street. Two-way access would be available from both the street level (Level 1) of the garage at East 161st Street. Curb cuts would be provided at a location along Macomb's Dam Bridge Approach to access Level 3 and Level 4 (the top level) of the garage.

Garage Facility D

Parking Garage D would be a five-level, above grade garage (including one level of roof parking) with 949 spaces, located south of the proposed New Stadium at East 151st Street between River and Gerard Avenues. Garage D would extend over East 151st Street between River and Gerard Avenues at the 3rd, 4th, and roof levels. Two-way access would be available from River and Gerard Avenues. Garage D would also contain a non-destination, neighborhood-oriented retail component of approximately 12,000 gross square feet along the River Avenue frontage of the garage.

Separately other existing surface parking lots and garage facilities will be modified and improved, bringing the total to approximately 10,310 spaces for Yankees patrons and local community use. Except for MLB season game days and play-offs, the New Parking Garages would be open to the surrounding community year-round to accommodate area-wide parking needs.

NYCEDC and NYCDPR have issued a Request for Qualifications (“RFQ”) to solicit interest in the development, construction, rehabilitation, and operation of the New Parking Garages and existing surface parking and garage facilities. Subsequent to the conclusion of the RFQ process the City will issue a Request for Proposals (“RFP”) to a shortlist developed from the RFQ respondents. The estimated construction cost of the New Parking Garages is approximately \$246.8 million. It is contemplated that ESDC’s capital contribution of \$70 million will be allocated for soft and hard costs associated with the construction of the four New Parking Garages only, and the selected developer/operator of the RFQ/RFP process would be responsible for financing the rest of the cost of construction of the parking facilities.

Proposed Replacement Parkland

The proposed stadium and three of the four proposed parking garages would occupy approximately 22.42 acres of parkland containing recreational facilities, but NYCDPR would replace the facilities and open space lost, and create a net increase of slightly over 2 acres in recreational acreage.

As currently conceived, the new facilities would provide upgrades in amenities over the existing facilities. A total of 24.5 acres of replacement recreational facilities and new parkland would be provided as part of the proposed Project. The replacement acreage includes: approximately 16.22 acres of new mapped parkland, 7.33 acres on existing parkland, and 1.01 acres of new open space (not mapped as parkland). NYCDPR would replace directly most of the existing facilities to be displaced by the proposed Project, but, may choose to vary the new facilities to provide replacements facilities that are not exactly the same as those displaced, but are equal or greater in use and value. To this end, NYCDPR would undertake a broad community outreach program before deciding on the final plan for the new parkland and recreational facilities.

The anticipated new facilities, which may be modified, are presently expected to include the following:

- A full-size, artificial turf soccer field encircled by a 400-meter track field, with a grandstand;
- Sixteen (16) tennis courts which are open air in the summer and enclosed in the winter;
- A little league baseball and two softball fields with 60 foot infield;
- A baseball field with 90 foot infield;
- Four (4) basketball courts with stands for spectator viewing;
- Nine (9) handball courts; and
- Comfort stations, tot-lot with climbing and play equipment, drinking fountains, benches, landscaping, pedestrian walkways, passive rest areas, sculptured play elements in civic spaces, etc. would also be scattered throughout the replacement facilities, New Parking Garages, and open space for the comfort and convenience of the public.

In addition to the replacement recreational facilities, an esplanade would extend from the northern end of the waterfront park, wrap around the waterfront to the existing ferry landing, and extend east to the pedestrian connection at Exterior Street below the Major Deegan Expressway. In total, the proposed Project would create approximately 5.5 acres of new parkland along the Harlem River waterfront, providing waterfront access and recreational activities currently not available in the surrounding community, resulting in waterfront uses that would attract the public and enliven a waterfront area that is currently composed of degraded piers.

In addition, it is expected that 12,000 square feet of retail space would be developed along the street level of Parking Garage D along River Avenue. Also, street improvements would be made along River Avenue in the area of the existing pedestrian bridge over the Metro-North Railroad tracks. Sidewalks currently in poor condition would be replaced, existing trees would be retained and supplemented with new trees, and pedestrian lighting would be improved. The City anticipates spending approximately \$129 million in construction costs for the Replacement Parkland component, and other demolition, street expansion and landscape improvement expenses.

For a more detailed discussion of the Replacement Parkland component, please refer to Attachment D, Notice of Completion of the Draft Environmental Impact Statement, attached hereto and made a part of this General Project Plan as part of the Project scope.

V. Construction Schedule

Subject to all public approval processes, construction of the New Stadium the proposed Project is expected to commence in the spring of 2006 and be completed by spring 2009 for opening day of the New York Yankees 2009 MLB season. The Yankees would continue to play at the existing stadium while the proposed stadium is under construction. The four New Parking Garages are expected to begin construction by the summer of 2006 and be completed by 2009. Proposed Replacement Parkland component would occur by 2009, except for Heritage Park on the site of the existing stadium, with the final Replacement Parkland to be completed by 2010.

VI. Leasing and Financing Structure

Leasing Structure – New Stadium

It is expected that the New Stadium site will be leased and financed in accordance with the following structure:

- i) The City will lease the Stadium site for a term of up to 99 years to the New York City Industrial Development Agency (the “IDA”) to facilitate the issuance of tax-exempt bonds (and possibly taxable bonds) for the development of the New Stadium;
- ii) The IDA will sublease the Stadium site and New Stadium to Yankees Ballpark LLC (“Ballpark LLC”), an affiliate of the Yankees, for a term of 40 years (the “Initial Term”), with 5 successive ten (10) year renewal options and one (1) final nine (9) year option for an aggregate of up to 99 years (the “Development and Operating Lease”). The Development and Operating Lease will require Ballpark LLC to construct the New Stadium in accordance with approved plans and be responsible for the cost of maintaining and operating the New Stadium (including all capital repairs, replacements, enhancements and improvements necessary for the New Stadium) throughout the term of the Development and Operating Lease;

The Yankees will enter into a lease agreement with the Ballpark LLC that requires the Yankees Team to play its home games in the New Stadium for not less than the Initial Term; and

- iv) The Yankees will enter into a Non-Relocation Agreement with the City and ESDC, providing assurances that the team will continuously occupy and play substantially all of its home games at the New Stadium for the Initial Term.

Financing Structure

The proposed Project has a development budget of approximately \$1.2 billion —approximately \$800 million New Stadium construction costs, an estimated \$246.8 million in New Parking Garages construction costs, and approximately \$129.2 million in Replacement Parkland construction costs. In addition, ESDC and the City have each agreed to contribute \$4.7 million to a capital reserve fund. The Project is expected to be funded from the following funding sources:

- A) **New Stadium (\$800 million)** – The cost of financing and fitting out the New Stadium is expected to be financed through tax-exempt (and possibly taxable bonds) to be issued by the IDA for up to a 40-year term. Because the New Stadium site is leased to, and the New Stadium is owned by, the IDA, a tax-exempt entity, the New Stadium site and the New Stadium will be exempt from property taxes. In lieu thereof, Ballpark LLC will make payments in lieu of taxes (“PILOT”) under a PILOT Agreement to be negotiated between the City and Ballpark LLC, and these payments will be assigned to a trustee who will pay the debt service on the tax-exempt bonds. Debt service on taxable bonds issued by the IDA, if any, will be funded by rentals paid to the IDA by the Ballpark LLC entity under the Development and Operating Agreement Lease. PILOT payments will be paid out of ticket and suites sales, which

are adequate to provide for an investment grade rating for the IDA bonds. Neither the State, the City, ESDC, nor NYCEDC will be liable for bonds issued by the IDA for the construction of the New Stadium. Based on revenues available to support the bond issuance, additional funds can be raised, if necessary, for cost overruns.

- B) New Parking Garages (\$246.8 million)** – As hereinbefore described, the State through ESDC will issue bonds to provide up to \$74.7 million to assist in the financing of the Project. The \$70 million in bond proceeds will be used for the construction of the New Parking Garages and the remaining \$4.7 million will be used to fund the capital reserve fund upon the initial occupancy of the New Stadium by the Yankees Team. The balance of cost of constructing the New Parking Garages will be borne by the garage operator and/or the City. ESDC and the City will enter into a Funding Agreement in order to disburse funds for the construction of the New Parking Garages.

Replacement Parkland (\$129.2 million) – The City will provide an estimated \$129.2 million in funds for the construction of the following: (i) Replacement Parkland facilities (approximately \$96 million); (ii) acquisition of land for additional parkland, construction of the bulkhead and environmental remediation of the Harlem River waterfront at the BTM retail center area (approximately \$4.5 million); (iii) East 161st Street pedestrian sidewalk expansion and improvement (approximately \$500,000); (iv) East 161st Street retaining wall reconstruction (approximately \$700,000); v) 36” water main relocation (approximately \$3.5 million); and (vi) demolition of the existing stadium (approximately \$23.9 million).

VII. Project Agreement

It is expected that ESDC, the City, NYCEDC, Ballpark LLC and the Yankees will enter into various agreements for the funding and construction of the Project. As set forth above, ESDC funds shall be applied solely to the cost of the New Garages and to fund a capital reserve fund. No ESDC funds will be disbursed until all other Project funding is committed.

As an express condition to funding, Ballpark LLC will provide for adequate assurances that the New Stadium will be completed and the Yankees will enter into appropriate agreements to ensure that the Yankees Team will play in the New Stadium for a period of not less than the Initial Term.

VIII

. Economic Impact and Benefits

ESDC has performed an independent impact analysis of the proposed Project. ESDC projects that the Project will have the following impacts during construction of the Project and for the first 30 years of the New Stadium's operations:

One-Time Construction Economic Impact

Construction activity will generate an estimated 7,072 direct job-years and a total of 12,375 job-years (including indirect and induced employment) in NYC. Income from direct construction employment is estimated to be \$511.8 million and a total of \$829.2 million (including indirect and induced employment income). Total economic activity generated by the project's construction activity is an estimated \$1.66 billion in the NYC region. (Dollar values are net present value using a 6% discount rate.)

One-Time Construction Fiscal Impact

Sales tax generated by consumption expenditures from direct construction workers' income is estimated to be \$6.7 million for NYC and \$6.1 million for NYS. Total sales tax on consumption expenditures by direct, indirect and induced employment is an estimated \$10.9 million for NYC and \$10.0 million for NYS. (Dollar values are net present value using a 6% discount rate.)

Personal income tax generated by direct construction employment is estimated to be \$15.8 million for NYC and \$28.6 million for NYS. Total personal income tax from direct, indirect and induced employment is an estimated \$25.3 million for NYC and \$45.5 million for NYS. (Dollar values are net present value using a 6% discount rate.) Overall fiscal impact from one-time construction activity (sales tax and personal income tax) is \$36.2 million for NYC and \$55.5 million for NYS.

Incremental Permanent Impact from Operations and Visitor Spending

Incremental direct employment from stadium operations is estimated to be 449 jobs in the first stabilized year of operations (2014). Total employment (direct, indirect, and induced) is an estimated 598 jobs in the stabilized year. Incremental income from direct employment is estimated to be \$200.6 million. Total incremental income from permanent direct, indirect and induced jobs is an estimated \$287.7 million. Total economic activity generated by the project's operations is an estimated \$1.0 billion in the NYC region. (All dollar values are net present value over 40 years, in 2009\$, using a 6% discount rate.)

Total fiscal benefits from stadium operations and visitor spending are estimated to be \$111.5 million for NYC and \$118.5 million for NYS. (Dollar values are net present value over 40 years, in 2009\$, using a 6% discount rate.)

Overall Fiscal Benefit and Cost: One-Time Construction and Permanent Impacts

Total fiscal benefits from one-time construction activity and permanent activities are estimated to be \$147.7 million for NYC and \$174.0 million for NYS. (Dollar values are net present value over 40 years, in 2006\$, using a 6% discount rate.)

IX. Project Purpose – Basis for Civic Project Findings

The primary purposes of ESDC's participation in the proposed Project are:

- A) to maintain and keep a world-class sports franchise in the Borough of the Bronx and enhance the State's stature as a provider of major league baseball events;
- B) to facilitate the development of a major venue for sporting and other events;
- C) to generate additional economic activity and City and State tax revenues through the construction and operation of the New Stadium;
- D) to offer new, enhanced, and upgraded parkland, recreational venues and other athletic amenities to the local community;
- E) to provide access to the Harlem River waterfront and waterfront activities previously not available to the community; and
- F) to improve parking and traffic flow in the Project Area.

Specifically, the Corporation, pursuant to Section 10 of the UDC Act, has made findings set forth below.

Civic Project Findings

1. That 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.

The New York Yankees Baseball Team is a major sports presence in the Borough of the Bronx and the New York region for over 82 years. The current Yankee Stadium is a source of civic pride and provides a venue for large groups of individuals in the New York and Tri-State region to enjoy a sporting and cultural experience. Furthermore, the economic benefits that the New Stadium brings to the State and City are substantial, and expected to increase over time. The

existing stadium is antiquated and does not serve the needs of a modern MLB franchise. The Yankees Team would not be able to remain and provide adequate facilities for fans and the media. The development of a New Stadium will make the City competitive with other municipalities that have undertaken development of similar public facilities, and continue to draw in visitors to New York as a place of travel destination. The new facility will improve the game going experience with modern and comfortable amenities as well as afford the City, owner of the existing stadium, long-term savings in expensive capital repairs, replacement, and maintenance expenditures. The new and enhanced parkland improvements will be available to the local residents and provide various recreational opportunities. The New Parking Garages will allow for better traffic flow and reduce illegal parking that adversely impacts the community.

2. That the project shall consist of a building or buildings or other facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes.

The New Stadium will be designed to accommodate the type of sporting events described in this General Project Plan and will be suitable for the above purposes. In addition, the associated civic, recreational, open space, parkland, waterfront access, athletic facility, and streetscape improvements of the Project will be suitable for community and recreational purposes. The New Parking Garages will alleviate present parking shortages. The new facilities will meet all the criteria of the enabling legislation and Project findings.

3. That such 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 that adequate provision has been, or will be, made for the payment of the cost of acquisition, construction, operation, maintenance and upkeep of the project.

As described herein, the Project site will be owned by the City and the New Stadium will be owned by the IDA, an instrumentality of the state, and will be leased to the Yankees affiliate and subleased to the Yankees Team. As set forth in these materials, adequate funds will be available for the construction of the Project and the Yankees affiliate will be responsible for the operation, maintenance and upkeep of the New Stadium. Likewise, the City will own the New Parking Garages and lease to a developer/operator responsible for financing, construction, management, operation, maintenance and upkeep of the garages.

4. That the plans and specifications assure or will assure adequate light, air, sanitation and fire protection.

ESDC's Design and Construction division ("D&C") will review and approve all plans and specifications of the New Parking Garages and will assure that the above criteria are satisfied, in conjunction with input from NYCDPR and NYCEDC. The New Stadium will be designed and built in accordance with the New York City Building Code with such variances as may be approved by the New York City Department of Buildings.

No families or individuals will be displaced as a result of the Project.

X. Building Code

The construction of the Project will conform to New York State and New York City Building Codes. ESDC's D&C will review and approve all New Parking Garages plans and specifications and will have field inspection and monitoring of the construction of the New Parking Garages. D&C shall also signoff on all payment requisitions for the New Parking Garages in coordination with NYCEDC and NYCDPR in accordance with the provisions of the Funding Agreement.

XI. Affirmative Action

ESDC's Non-Discrimination and Affirmative Action policy will apply to construction of the New Parking Garages. Where appropriate, in relation to the scope of this General Project Plan, ESDC's Affirmative Action Unit has set goals of 20% for participation by minority and women business enterprises ("M/WBE") in the construction of the New Parking Garages as well as ensuring that minorities and women are adequately represented in the construction workforce for the New Parking Garages. Pursuant to the terms of the New Stadium lease, the Yankees affiliate will agree to comply with the City's non-discrimination policies and, in addition, will enter into an agreement to provided M/WBE participation in the construction of the New Stadium.

XII. Environmental Review Process

A Draft Environmental Impact Statement (“DEIS”) was certified as complete by the NYCDPR, the lead agency, on September 23, 2005. A public hearing on the DEIS was held on January 11, 2006. It is expected that the Final EIS will be certified in February of 2006. ESDC is an involved agency for the environmental review of the Project.

Attachments

- A. Project Location Map
- B. Stadium Design
- C. Proposed Parking
- D. Notice of Completion of the Draft Environmental Impact Statement, NYCDPR, September 23, 2005