

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY (“NYCIDA”)
PROJECT COST/BENEFIT ANALYSIS
March 9, 2006**

Applicant:

Yankees Ballpark Company,
L.L.C.
161st Street and River Avenue
Bronx, NY 10451

Project Location:

On a parcel of land in the Concourse Village neighborhood of the Borough of the Bronx comprising the northern portion of Macomb’s Dam Park and the southern portion of John Mullaly Park between River and Jerome Avenues, which stadium structure would extend from East 161st Street to the mid-block between East 162nd and 164th Streets.

Project Description

Yankees Ballpark Company, LLC (“Ballpark Company”), a New York limited liability company or one of more affiliated entities is seeking approximately \$930 million in tax-exempt and taxable bonds or such greater amount which amount cannot exceed 10% of such stated amount. The total bond amount of \$930 million consists of approximately \$866 million in Tax-Exempt Bonds and approximately \$64 million in Taxable Bonds (collectively, the “Bonds”) to construct an approximately 54,000 seat, open-air new Yankee Stadium (the “Stadium” or “NYCIDA project”) one block north of its existing location at East 161st Street and River Avenue in The Bronx. The Stadium project cost is approximately \$930 million, which includes approximately \$734 million in Stadium construction costs, \$82.6 million in a capitalized interest fund, \$47 million in debt service reserve fund, and \$29.9 million in cost of issuance and \$36.6 million in contingency costs. In addition to the NYCIDA project, the overall project will involve (i) the construction of four new parking garages projected to contain approximately 4,689 spaces in the vicinity of the Stadium; and (ii) the development of new and replacement recreational park facilities within the vicinity of the proposed Stadium. The costs of constructing the new parking garages and replacement parkland is forecast to total approximately \$320 million and forecast to total approximately \$126.6 million, respectively. The overall project is expected to be financed with approximately \$930 million in Bonds, \$129.2 million in contribution from the City of New York (the “City”), \$74.7 million in contribution from New York State (the “State”) and funding from the private developer of the parking garages for any cost of the garages above \$70 million (which amount is to be contributed from the payment to be made by the State).

The Stadium would replace the existing approximately 56,928-seat Yankee Stadium. The proposed open-air Stadium would have a total spectator capacity of approximately 54,000 (53,000 seats and standing room for 1,000 spectators) 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.

Ballpark Company and New York Yankees Partnership, the owner of the New York Yankees Baseball Club (the “Yankees” or “Team”), have indicated to the NYCIDA that the financing outlined herein are critical to the feasibility of the Stadium construction and that the construction of the Stadium would not proceed as planned without access to NYCIDA financing. Ballpark Company has also maintained that operating in the old stadium would cause continuing economic disadvantages to both the Yankees and the City.

The City will lease the Stadium site to the NYCIDA under a ninety-nine year ground lease (the

“Ground Lease”). NYCIDA will then enter into a lease agreement with Ballpark Company for the purpose of constructing, equipping, leasing, operating and maintaining the Stadium (the “Lease Agreement”). It is expected that the Lease Agreement will have an initial term (the “Initial Term”) of approximately 38 years following completion of construction. Ballpark Company will not have an option to purchase the Stadium under the Lease Agreement; however, Ballpark Company will have options to extend the Lease Agreement for additional terms through the remainder of the Ground Lease at fair market rent to be determined at the commencement of each extension period.

Pursuant to the Lease Agreement, Ballpark Company will construct the Stadium as agent of the NYCIDA and then operate and maintain the Stadium. A private developer is expected to operate and manage the parking facilities. Ballpark Company will make the Stadium available for use by the Team but will retain the right to certain stadium revenues.

The Team will enter into a Non-Relocation Agreement with the City, the State and the NYCIDA (the “Non-Relocation Agreement”). Pursuant to the Non-Relocation Agreement, the Team will agree to play substantially all of its home games at the Stadium until the expiration of the Initial Term. If the Team violates this agreement, it will be subject to certain remedies which may include specific performance and, if specific performance is not available, liquidated damages.

Other aspects of the NYCIDA structure include the proposal to provide a (i) mortgage recording tax exemption with respect to mortgages securing the taxable bonds and payments in-lieu-of taxes (“PILOTs”) with respect to the NYCIDA project and (ii) an exemption from City and State sales and use taxes in connection with the purchase of materials for the acquisition, construction, improvement, and equipping of the Stadium and the related NYCIDA project facilities. As the Stadium will be owned by, and located on property leased to, the NYCIDA, no general *ad valorem* real property taxes will be payable to the City with respect to the Project. Ballpark Company will make annual PILOT payments to the NYCIDA pursuant to the terms of a PILOT Agreement between Ballpark Company and the NYCIDA (the “PILOT Agreement”). The initial term of the PILOT Agreement will be equal to the initial term of the Lease Agreement. Payments made under the PILOT Agreement will be used to pay the principal of and interest on the Tax-Exempt Bonds until the Tax-Exempt Bonds are paid in full.

<i>Incremental Benefits to City</i>	<i>NPV¹</i>
A. Annual direct and indirect taxes to be generated, including construction ²	\$ 96,900,000
B. Parks Dept. savings on maint./CapEx on existing Stadium (net of lost rent) ³	\$ 41,200,000
C. Foregone improvements to Macombs Dam Park ⁴	\$ 25,000,000
D. Salvage value of current stadium ⁵	\$ 10,000,000
Total Incremental Benefits to City:	\$ 173,100,000
<i>Incremental Costs to City</i>	
E. Infrastructure and demolition costs ⁶	\$ (27,900,000)
F. Capital reserve fund for future infrastructure repairs	\$ (4,700,000)
G. PV of \$8.5MM to capital reserve fund in Year 30	\$ (1,700,000)
Total Incremental Costs to City:	\$ (34,300,000)
Incremental Net Benefit/(Cost), excluding cost of New Parkland	\$ 138,800,000
Cost of New Parkland ⁷	\$ (84,100,000)
Incremental Net Benefit/(Cost), including cost of New Parkland	\$ 54,700,000

Footnotes

¹ Figures discounted at 6.25% to 2006. Incremental costs and benefits calculated over period of 40 years.

² The construction and operations of the new Stadium will provide incremental tax revenue to the City, relative to the revenue the City would receive if the existing stadium were retained. The impact analysis of operations included sales tax from gate receipts, as well as indirect and direct taxes generated from concession and merchandise, parking revenues, increased stadium employment, and visitor spending outside of the Stadium. It was determined that only spending by non-City attendees whose primary trip reason was to attend a Yankees game should be taken into account in this analysis.

³ While the City will forego rent on the new stadium, the City will also no longer be responsible for maintenance and operation costs of the existing stadium. The City anticipates that the savings to the City on maintenance and operation costs will exceed the foregone rent, resulting in a net benefit to the City.

⁴ Due to a new Stadium, the City would not incur costs of improvements to Macombs Dam Park that it would otherwise be expected to incur.

⁵ The City expects to generate revenue from selling portions of the existing Stadium such as bleachers, seats, signage, etc.

⁶ The City will contribute funds from its capital budget for demolition of the existing Stadium, relocation of a 36" water main, retaining wall reconstruction, and expansion and improvement of pedestrian sidewalks.

⁷ The City will contribute funds from its capital budget for costs associated with replacement and additional parkland. The costs associated with parkland in excess of existing parkland are excluded.

The Core Application captures specific and general information about the Applicant and the Project. This section begins with a survey of "General Information," followed by a section that describes the Applicant's Interest or relationship to the project site. This helps establish eligibility and which benefits will be applied to the project.

Name: New York Yankees Partnership
Address: 161st St & River Avenue, Bronx NY 10451
Phone Number(s): 718-293-4300
Fax Number(s): 718-293-8431
E-mail Address:
Website Address: www.yankees.com
Applicant EIN Number: ██████████
S.I.C. Code:
NAICS Code:

Date of Application:

1. Applicable Program (please check one):

- Manufacturing Facilities Bond Program
- Industrial Incentive Program ("IIP")
- Small Industrial Incentive Program ("SIIP")
- Empowerment Zone Facilities Bond Program
- Exempt Facilities Bond Program

SIIP is only available for Applicants with annual revenues of less than \$5 million and fewer than 100 employees; IIP is only available for Applicants with either annual revenues that are \$5 million or greater or 100 or more employees.

2. Officer of Applicant serving as contact person:

Name: Lonn A. Trost Firm: New York Yankees
 Phone # 718-293-4300 Fax#: 718-293-8431
 E-mail Address: ltrost@yankees.com Address: 161st St & River Ave, Bronx NY 10451

3. Attorney of Applicant:

Name: Stephen Lefkowitz Firm: Fried, Frank, Harris, Shriver & Jacobson
 Phone # 212-859-8780 Fax#: 212-859-8582
 E-mail Address: stephen.lefkowitz@ffhsj.com Address: One New York Plaza, NY NY 10004

4. Accountant of Applicant:

Name: Andy Rey Firm: PricewaterhouseCoopers LLP
 Phone # 813-222-5461 Fax#: 813-229-3646
 E-mail Address: andrew.rey@us.pwc.com Address: 101 East Kennedy Blvd, Tampa FL 33602

5. Other Advisor/Consultant to Applicant (if applicable):

Name: N/A Firm: _____
Phone # _____ Fax#: _____
E-mail Address: _____ Address: _____

6. Applicant is (check one of the following, as applicable):

- General Partnership Limited Partnership C Corporation
 S Corporation Limited Liability Company Natural Person
 501(c)(3) Organization Other (specify): _____

7. Are any securities of Applicant publicly traded?

- Yes No

8. Applicant's state of incorporation or formation: Ohio

9. Applicant's date of incorporation or formation: March 23, 1973

10. States in which Applicant is qualified to do business: New York, Ohio, Florida

11. Please provide a brief description of Applicant and nature of its business: Professional Baseball Club

Core Application – Applicant Interest in Project Realty

Please note: An "Affiliate" means any individual, corporation, partnership, joint venture, sole proprietorship, limited liability company, trust or other entity that controls, is controlled by or is under common control with the Applicant or the "SPE" (defined herein below).

1. Please check all that apply:

- Applicant or an Affiliate is the fee simple owner of the Project realty.
- Applicant or an Affiliate is not currently, but expects to be the fee simple owner of the Project realty.
- Applicant or an Affiliate is not the owner of the Project realty, but is the occupant of a material portion thereof for the conduct of its business pursuant to a lease or other occupancy agreement.
- Applicant or an Affiliate is not the owner of the Project realty, but expects, immediately following the closing, to be the occupant of a material portion thereof for the conduct of its business pursuant to a lease or other occupancy agreement.
- None of the above categories fully describe Applicant and its relation to the Project realty, which may be more accurately described as follows (please provide copies of supporting documentation, as applicable):

Please note: Please pay particular attention to Items 5, 6 and 16 in the Required Documents List (attached), which request additional information specific to the Project realty.

2. If a special-purpose entity ("SPE") that is owned and controlled by the Applicant will own or otherwise control the Project realty, the SPE will be a (check one of the following as applicable):

- | | | |
|--|---|--|
| <input type="checkbox"/> General Partnership | <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> C Corporation |
| <input type="checkbox"/> S Corporation | <input checked="" type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Not-for-profit 501(c)(3) Entity |
| <input type="checkbox"/> Natural Person | <input type="checkbox"/> Other (specify): | |

Name of SPE: Yankee Stadium Company LLC
Address: 161st St & River Avenue, Bronx, NY 10451
Phone Number(s): 718-293-4300
Contact Person: Lonn Trost
Title of Contact Person: TBD
Affiliation of SPE to Applicant: Affiliate
Owners of SPE and each respective ownership share: TBD
SPE EIN Number:

Please note: If information required above for the SPE is unknown at time of Application submission, then please submit any missing information to the NYCIDA as soon as it becomes available.

3. Give the following information with respect to all present and proposed tenants and sub-tenants at the proposed project site. Provide information on an additional sheet if space is needed.

Company Name	Phone	Affiliation with Applicant	SF & Floors (Percent of Occupancy)	Lease Expiration	Tenant Business
New York Yankees Partnership	718-293-4300	Applicant	100%	40 years from commencement of lease	Professional Baseball Club

Core Application – Project Description and Financial Information

Please complete this section of the Application for each of the Project sites, defined as a facility (perhaps encompassing more than one address and/or block and lot) with either a distinct employment base (as evidenced through D.O.L. reporting) or with a separate and distinguishable source of funding for the acquisition, renovation or construction of the facility. If more than one site exists for this Project, please make the requisite number of copies of this section and fill it out for each site.

Site#
Borough: Bronx
Neighborhood:
Block(s): 2492 and 2493
Lot(s): 1 and 9
Street address and zip code: 161st St. and River Ave, Bronx, NY 10451
Zoning:
Square footage of land:
Square footage of existing building(s):
Number of floors:
Intended use(s) (e.g., office, retail, etc.):

1. Please provide the following Project information:

a. Please provide a brief description of the proposed Project: See Final Environmental Impact Statement dated February 10, 2006

b. When does Applicant want Closing to occur (i.e., when does Applicant want the proceeds from the Bonds or other benefits sought to be available for the Project costs)?

c. Indicate the estimated date for commencement of the Project:

_____ May 2006 _____

d. Indicate the estimated date for completion of the Project:

_____ April 2009 _____

e. Is the Project site located in a New York State Empire Zone?

Yes No

If Yes, which zone? _____

f. Is the project site located in the Federal Empowerment Zone?

Yes No

g. Will the Project require Uniform Land Use Review Procedure ("ULURP") approval?

Yes No

h. Will the Project require any other special permit or approval?

Yes No

If Yes, please explain:

i. Is any governmental entity intended or proposed to be an occupant at the Project site?

Yes No

If Yes, please provide details:

j. Will the Project require a tax lot apportionment or subdivision? (Tax lot apportionment will be required for real estate tax benefits to commence.)

Yes No

If Yes, please provide details and timing:

2. Please complete the following summary of Project sources and uses:

Uses of Funds		Sources of Funds	
Land acquisition ³	See attached sources and uses schedule	Bonds	
Building acquisition ³		Loan (1)	
New construction ⁴		Loan (2)	
Renovations		Capital campaign ⁵	
Fixed tenant improvements		Affiliate/employee loans	
Machinery and/or equipment		Company funds	
Soft costs (define):		Fund balance ³	
Furnishings		Other equity (explain)	
Debt Service Reserve Fund ⁵		Other (explain)	
Capitalized interest ³		Other (explain)	
Other (explain)		Other (explain)	
Total Project Uses	0	Total Project Sources	0

3. Please list where machinery and equipment will be purchased and what percentage of total machinery and equipment relating to the Project this will represent:

New York City Percentage of Total? TBD

New York State (excluding NYC) Percentage of Total? _____

United States (excluding NY State) Percentage of Total? _____

Outside United States Percentage of Total? _____

³Please estimate Land and Building acquisition costs separately if possible.

⁴Please define New Construction on a separate piece of paper.

⁵Applies to not-for-profit bond financings only

**New York Yankees
Sources and Uses of Funds**

Sources:	Tax-Exempt Synthetic Fixed	Taxable Synthetic	Total
Bond Proceeds:			
Par Amount	865,945,000.00	64,055,000.00	930,000,000.00
	865,945,000.00	64,055,000.00	930,000,000.00
Uses:	Tax-Exempt Synthetic Fixed	Taxable Synthetic	Total
Project Fund Deposits:			
Construction Fund	712,260,190.71	21,537,295.72	733,797,486.43
Other Fund Deposits:			
Capitalized Interest	79,107,480.39	3,493,840.86	82,601,321.25
Delivery Date Expenses:	74,578,341.22	2,358,863.42	76,935,204.64
Other Uses of Funds:			
Additional Proceeds	987.68	0.00	987.68
Additional Financing Contingency		36,665,000.00	36,665,000.00
	865,945,000.00	64,055,000.00	930,000,000.00

Core Application – Background Information on Applicant & Applicant's Affiliates

Please note: "Principal" means the following with respect to the Applicant and/or the SPE: all persons (entities or individuals) that control the Applicant and/or the SPE, and/or own more than 10 percent of either; all executive officers; all directors; and all members and general partners for, respectively, limited liability companies and partnerships.

Please answer the following questions and, if necessary, include additional information as an attachment:

1. Has Applicant, or any Affiliate or Principal, ever received, or is any such person or entity currently receiving, financial assistance or any other kind of discretionary benefit from any local, state or federal governmental entity or agency, or any public authority or public benefit corporation, or any local development corporation?

Yes No If Yes, please provide details on an attached sheet.
Subject to our existing lease, as amended from time to time

Please note: local, state and federal governmental entities or agencies, public authorities or public benefit corporations, and local development corporations, shall be referred to as "Public Entit(y)(ies)."

2. Has Applicant, or any Affiliate or Principal, or any existing or proposed occupant at the Project site, obtained, or is any such person or entity in the process of obtaining, or contemplating obtaining, other assistance from the NYCIDA?

Yes No If Yes, please provide details on an attached sheet.

3. Has Applicant, or any Affiliate or Principal, ever defaulted on a loan or other obligation to a Public Entity?

Yes No If Yes, please provide details on an attached sheet.

4. Has real property in which Applicant, or Affiliate or Principal, holds or has ever held an ownership interest and/or controlling interest of 25 percent or more, now or ever been (i) the subject of foreclosure (including a deed in lieu of foreclosure), or (ii) in arrears with respect to any type of tax, assessment or other imposition?

Yes No If Yes, please provide details on an attached sheet.

5. Does Applicant, or any Affiliate or Principal, have any contingent liabilities not already covered above (e.g., judgment liens, lis pendens, other liens, etc.)? Please include mortgage loans and other loans taken in the ordinary course of business only if in default.

Yes No If Yes, please provide details on an attached sheet.

6. Has the Applicant, or any Affiliate or Principal, failed to file any required tax returns as and when required with appropriate governmental authorities?

Yes No If Yes, please provide details on an attached sheet.

Please answer the following questions relating to the Applicant (if the space provided below is insufficient, please provide complete information on an attached sheet):

8. List major suppliers:

Core Application – Request, Certification etc.

I, the undersigned officer/member/partner of Applicant, on behalf of Applicant, hereby request, represent, certify, understand, acknowledge and agree as follows:

I request that this Application, together with all materials and data submitted in support of this Application (collectively, these "Application Materials"), be submitted for review to the NYCIDA Board, in order to obtain from the NYCIDA Board an expression of intent to provide the benefits requested herein for the Project. I understand that this expression of intent will take the form of an inducement resolution to be adopted by the Board.

I represent that I have the authority to sign these Application Materials on behalf of, and to bind, Applicant.

I certify to the best of my knowledge and belief that all of the information provided in these Application Materials is accurate, true and correct. I understand that an intentional misstatement of fact, or, whether intentional or not, a material misstatement of fact, or the providing of materially misleading information, or the omission of a material fact, may cause the Board to reject the request made in the Application Materials.

I understand the following: that Applicant and Principals will be subject to a background check and actual or proposed subtenants may be subject to a background check; that the NYCIDA may be required under SEQR to make a determination as to the Project's environmental impact and that in the event the NYCIDA does determine that the Project will have an environmental impact, Applicant will be required to prepare, at its own expense, an environmental impact statement; that the decision of the Board to approve or to reject the request made in the Application Materials is a discretionary decision; that no Bonds may be issued (if Bonds are being requested) unless such Bonds are approved by the Mayor; that under the New York State Freedom of Information Law ("FOIL"), the NYCIDA may be required to disclose the Application Materials and the information contained therein (see Disclosure Policy and Procedure); and that Applicant shall be entirely responsible and liable for the fees referred to in these Application Materials, including (in the case of Bonds) but not limited to payment of the New York State bond issuance fees (if applicable to the Bonds in question) based upon the aggregate principal amount of the Bonds.

I further understand and agree as follows:

That in the event the Application Materials are not submitted to the Board for any reason including negative results obtained through the background check, and/or, with respect to Application Materials that are submitted to the Board, in the event the Board rejects same, then, under either of said circumstances, Applicant shall have no recourse against the NYCIDA or any other public or governmental entity or public benefit corporation (including NYCEDC), or any directors, officers, employees or agents of the foregoing (collectively, the "Public Participants"), for the Application Fee, or for other expenses incurred by Applicant or other parties on behalf thereof, or for damages or specific performance; and that the Application Fee is under all circumstances (including but not limited to the ones just described and the ones described in the next succeeding paragraph) non-refundable; and

That if the Board adopts an inducement resolution with respect to the request made in the Application Materials, such adoption shall not be deemed a guaranty that the Board will adopt an authorizing resolution; or that the NYCIDA will then provide the induced benefits; and

That Applicant shall indemnify the NYCIDA for fees and disbursements incurred by bond counsel (in the case of a Bond transaction) or by project counsel (in the case of a straight-lease transaction); and that bond counsel or project counsel (as applicable) shall be a third-party beneficiary of this indemnity to the NYCIDA regardless of whether a Closing occurs and if no Closing occurs, regardless of the reason thereafter and regardless of whether a Closing was within or without the control of any of the Public Participants; and

That in the event NYCIDA discloses the Application Materials in response to a request made pursuant to FOIL, Applicant hereby authorizes the NYCIDA to make such disclosure and hereby releases the NYCIDA from any claim or action that Applicant may have or might bring against the NYCIDA, its directors, officers, agents, employees and attorneys, by reason of such disclosure; and that Applicant agrees to defend, indemnify and hold the NYCIDA and, if applicable, the NYCEDC and their respective directors, officers, agents, employees and attorneys harmless (including without limitation for the cost of reasonable attorneys fees) against claims arising out of such disclosure as such claims may be made by any party including the Applicant, Affiliate, Owner or Principal, or by the officers, directors, employees and agents thereof.

I acknowledge and agree that the NYCIDA reserves the right in its sole and absolute discretion to request additional information, waive any requirements set forth herein, and/or amend the form of this Application, to the full extent permitted by applicable law.

Requested, Represented, Certified, Acknowledged, Understood and Agreed by Applicant.

This 28th day of Feb, 2006

Name of Applicant: New York Yankees Partnership

By: Printed Name of Signer: LONN A. TREST
Title of Signer: Chief Operating Officer
Signature: [Handwritten Signature]