

## CACWG QUESTIONS – MEETINGS 8, 9, AND POST-CACWG

No.	Question	Response
1)	Can you provide the bonus FAR (sq/ft) granted through this POPS application (in 1972 and subsequently)?	The original zoning floor area (ZFA) of 1 Penn Plaza is not the salient measurement to get to the question of how much POPS has been lost, as the building has been modified since its construction in 1972 (i.e., floors have been removed and uses changed). Also, the Moynihan GPP allowed for a generous new transit entrance in Site 4 to compensate for the lost POPS. The development of Site 5 anticipates that portions of 1 Penn’s base may be modified, resulting in further removal of floor plates and ZFA, but ESD is exploring mechanisms in the Design Guidelines to ensure any remaining discrepancy is accounted for at the time of Site 5 development.
2)	What is the variance referring to in the previous answer regarding square footage of POPS?	The “Variance” is the difference between the “Original” and “Post GPP” square footage figures.
3)	While a shadow study has been done, the initial question raises the issue of daylight evaluation and protection. Can you please provide a daylight evaluation (Waldram diagram) done per the existing Midtown Subdistrict regulations? What is the score for each building (score from avenues and side streets) based on optimal massing of the proposed density?	Daylight evaluation scoring (the creation of a Waldram diagram) is a very precise mathematical simulation that is conducted on buildings that have been fully designed. The illustrative massings (what you refer to as “proposed optimal massings”) shown in the EIS do not represent actual buildings, so the daylight evaluation scores of these massings would not result in accurate portrayals of potential future conditions.
4)	What about the skybridge connector from One Penn to Two Penn proposed in the GPP? Will it be open to the public?	The potential sky concourse over Plaza 33 would require approval by the City, including a revocable consent from NYC DOT. Per the Design Guidelines, if approved, it would be accessible to the public.

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5)	<p>Follow up: During the Town Hall meeting (Thursday, July 15) Holly Leicht said:  “[...] through the public authorities control board as I mentioned and probably ultimately will have to depending on exactly what the terms are at the end and how far along the financing is it would have to get approved by the attorney general's and comptroller's office” (TC: 74:29 YouTubeTranscript)</p> <p>What is she referring to? What kind of terms at the end would trigger such approval process?</p>	<p>If the GPP is affirmed, ESD may seek PACB approval to purchase and lease back one or more of Sites 4-8 in order to implement PILOTs to fund a portion of the transportation improvements. (Note: such acquisitions would be strictly voluntary, not through condemnation, because condemnation is not being approved as part of ESD’s project.) Timing of PACB review would likely be tied to when such sites would be developed.</p> <p>Any development of Sites 1-3 is dependent on those sites being selected as the preferred alternative for the Penn Expansion so those would not be reviewed by PACB at this time.</p> <p>OSC may review the financing structure of the transportation improvements by the various proposed revenue streams the GPP would generate, but that review would likely occur later if and when such financing would occur.</p> <p>The AG is not expected to have approval authority regarding the potential acquisition and lease-back of Sites 4-8 or any PILOT agreements for those sites.</p>
6)	Can you provide details on strategic advice provided by E&Y on alternate sources of funding?	A summary of EY’s work on the Empire Station Complex project can be found in the presentation shown during CACWG Meeting #5.
7)	In the DEIS, Sites 7 and 8 are abutting each other. In the Subway Mitigations and Underground Concourse presentation, Sites 7 & 8 are now separated by a 150 ft alleyway that seems to mimic the proposed alleyway on block 780. Was the design changed? Does that affect the height, density, massing of the buildings?	The image you reference in that presentation utilized a hypothetical tower configuration, not the future ground level configuration.
8)	On existing platforms, where will the new vertical circulation elements be installed as columns seem to be in the way. Are you able to remove existing columns?	MTA will move any columns that interfere with proposed Vertical Circulation Elements. Please see attached diagram.
9)	How much real estate tax revenue do the existing properties on sites 1-3 and sites 4-8 generate?	The existing properties on Sites 1 – 8 are estimated to generate currently approximately \$63 million. Actual tax revenues can be found on the New York City Department of Finance <a href="#">website</a> .
10)	How much sales tax revenue do the existing properties on sites 1-3 and sites 4-8 generate?	Properties are not assessed for sales tax and therefore do not generate any sales tax revenue.

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11)	Who will be the PILOTs trustee? Different trustees for sites 1-3 and sites 4-8?	While this is yet to be determined, ESD anticipates that there will be multiple PILOT agreements, possibly even separate ones for each site. As mentioned in the GPP, the structure of any PILOT agreement – including identification of trustees – would be determined in consultation with the City of New York.
12)	What are the terms of the Joint Services Agreement with ESD, MTA, USDOT and the PILOT trustee in case PILOTs revenue is insufficient?	<p>The Railroads and federal authorities are in discussions over potential cost sharing arrangements to fund the Railroad Projects (Penn Reconstruction, Penn Expansion, and Hudson River Tunnel). As shown in the CACWG Meeting #5 presentation, ESD and the Railroads are projecting a 50% federal, 25% New York, and 25% New Jersey cost sharing agreement for the Railroad projects modeled after the Gateway funding agreement.</p> <p>As discussed during CACWG Meeting #5, ESD and MTA recognize that potential PILOT revenue alone is unlikely to be sufficient to fund the entire New York share and will not be generated soon enough to meet the construction timeline of the Railroad Projects. As a result, financing against these future revenue streams as well as additional sources of funding will likely be necessary to cover the immediate costs of the Railroad Projects.</p>
13)	What revenue is projected to be generated by the PILOTs (RE, mortgage, and sales)?	ESD is currently in discussions with the City of New York and Vornado, and it is premature to project potential PILOT, PILOMRT, or PILOST revenue.
14)	Who negotiates PILOTs on behalf of the city? What's the city approval process for the PILOTs?	ESD is in discussions with the Office of the Deputy Mayor of Economic Development and the NYC EDC about a potential PILOT framework.
15)	What will be the structure of the bonds? Date of issuance, date of interest re-payments, date of principal repayment? Fixed rate? Variable?	Given that the financing approach has not been determined and likely will not be until the public review for the transportation projects is well underway, these questions are premature.
16)	What will be structure of the federal loan? Date of issuance, date of interest re-payments, date of principal repayment? Fixed rate? Variable?	See above answer to #15.

No.	Question	Response
17)	What revenue is projected to be generated by the air rights? Sites 1-3 air rights valuation? Sites 4-8 air rights valuation?	<p>As ESD is in negotiations with Vornado regarding Sites 4-8, it would be against the public's interest in maximizing revenues for Additional Development Rights ("ADRs") to share projected valuations at this time.</p> <p>As outlined during CACWG Meeting #5, Sites 1-3 would not generate ADR revenue, should they be selected by the federal authorities as the preferred alternative for the Penn Expansion, because they would be leased or sold with the GPP development rights in place. The land value of those sites would be determined at the time of the Request for Proposal(s) and is expected to be the delta between the cost to acquire those sites at their current allowable densities and the price for which they can be leased or sold at that future time.</p>
18)	When is the air rights revenue expected to be generated? Timeline? Process (RFP?)	ADR revenue for Sites 4-8 is expected to be generated site by site and would reflect then-current market value. Land value revenue for Sites 1-3 would be generated at the time of the long-term lease or sale of those sites, most likely through one or more Requests for Proposals (RFPs) that would be issued if those blocks are selected as the preferred alternative for the Penn Expansion.
19)	What is the financial transaction for acquisition and lease back by the State of sites 4-8?	The structure of any transactions for Site 4-8 has not yet been determined, as negotiations with Vornado are ongoing.
20)	Will the combination of PILOTs and air rights revenue cover the funding needs as presented in the grant's application to USDOT? If not, what is the supplemental source of funding?	As explained during CACWG Meeting #5, the funds generated by GPP-related development (i.e., land value payments, ADR payments, PILOT, PILOST, and PILOMRT) is likely not sufficient nor timely to fully cover the local share of the Railroad Projects at the time of their construction. Other financing tools such as bonds and/or federal loans will be explored as part of a comprehensive financial plan to be included in New York State's application for federal funding.
21)	How is the Penn reconstruction funded?	As outlined during CACWG Meeting #5, one approach to covering the costs for the Railroad Projects would be to mirror the original agreed-upon split for Gateway of 50% federal, 25% New York, and 25% New Jersey. At this time, the specific approach to funding Penn reconstruction has not been finalized.

No.	Question	Response
22)	Is MTA expected to issue bonds to fund Penn Reconstruction and Penn Expansion?	A decision has not yet been made on whether bonds will be issued for the Railroad Projects or, if so, what entity would be the issuer.
23)	According to E&Y presentation, the bonds rating will need to be upgraded. What's the cost of upgrading the rating? How will the rating upgrade be funded?	Credit enhancement mechanisms are typically required to address uncertainty around future development and achieve investment-grade ratings. The form of credit support for any debt structure pursued for the Railroad Projects is yet to be determined. In a recent example, the bond financing for the No. 7 subway line extension relied upon Interest Support Payments (i.e., payments to cover the difference between interest owed and revenues generated by the project) from the City of New York while development-related tax revenues ramped up; the City is being made whole now by those ongoing revenues.
24)	Which agency will rate the ESD issued bonds?	Any bonds that would be issued to finance the Railroad Projects would likely be rated by at least two of the national agencies with which ESD and MTA have worked in other recent transactions: Standard & Poor's Global Ratings, Moody's Investors Service, Fitch Ratings, and Kroll Bond Rating Agency. It has not yet been determined what agency would be the issuer if a decision is made to issue bonds.
25)	What is the deadline to submit the FRA/FTA funding application?	<p>Application to the FTA's Capital Investment Grant ("CIG") program is a multi-stage process that can take several years to complete. Typically, final grant funding agreements are signed between 3-5 years after a project enters the Project Development stage of the process and after the applicant has demonstrated a commitment for 30% of non-CIG funds for the project. The CIG application process for the Railroad Projects will also require the adoption of the Final EIS and affirmation of the final GPP.</p> <p>FRA does not administer a grant program of similar capacity.</p>

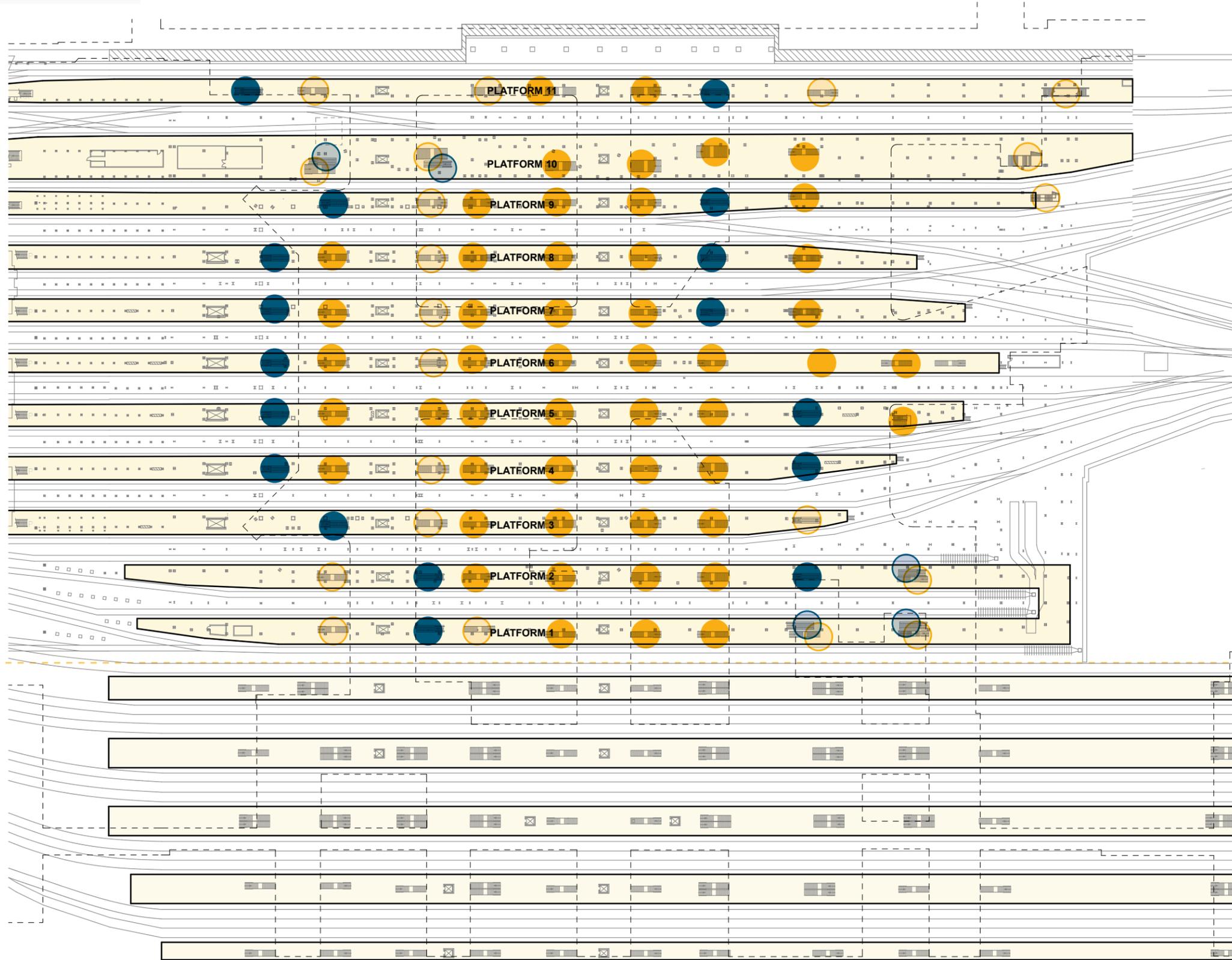
Platform Lower Level Upper Level Street Level Roof

# Platform

**PENN RECONSTRUCTION**

**POTENTIAL EMPIRE PENN EXPANSION**

**Note**  
Empire Penn Expansion track configuration is conceptual.



## Stair Widths (Inches)

Platform	Vertical Circulation Element (VCE)										Total Number of VCEs	Total Width of VCEs (in)	Existing Number of VCEs
	1	2	3	4	5	6	7	8	9	10			
11	38	64	78	78	78	34	60	73	73		9	542	7
10	38	92	108	34	90	118	120	60	108		9	734	8
9	40	66	72	62	62	32	60	68			8	430	7
8	40	66	58	58	60	60	40	60			8	442	7
7	40	57	58	58	60	60	40	60			8	433	7
6	40	54	40	54	54	54	54	54	54		9	458	7
5	40	54	64	64	60	60	60	40	44		9	486	6
4	40	64	72	72	60	60	86	40			8	494	5
3	40	68	52	75	75	75	32				7	385	5
2	64	40	57	60	88	86	40	46	52		9	493	8
1	60	40	58	57	57	57	46	57	46	52	10	490	8

**Key**

- New Escalator
- Existing Escalator
- New Stair
- Existing Stair

## Axonometric View of Alternative 3

