

Joint Solicitation for the Development of the Empire Station Complex

Addendum #7

Release Date: March 28, 2016

- 1) For prospective respondents to the Farley RFP, the following materials have been uploaded to the Dropbox for this solicitation (www.bit.ly/empirestation):
 - a. **Q&A Responses (Partial)** - Responses to questions on the Farley RFP received by March 18, 2016. For more information on the extension of the question period see Addendum #3.
 - b. **Project Information Supplement – “Farley RFP Workbook”**: Excel workbook containing instructions for submitting summary information on each Respondent’s Proposal as well their financial offers under each of a 49-year and 99-year long-term net lease scenario. Based on the results of inputs by Respondents, a PILOT calculator within the workbook will calculate the value of PILOT payments that should be assumed in Proposals. The amount of PILOT payments approximates what full taxes would otherwise total using several assumptions, some of which include a common estimate for each use’s assessed value per square foot, the application of a PILOT reduction intended to mimic New York City’s 10-year Industrial & Commercial Abatement Program (ICAP), and a graduated ramp up through construction. In preparing their Proposals, Respondents should read the Cover Page Tab, complete Tab 1. Key General Assumptions and then note the assumptions of Tabs 2 and 3.
 - c. **Operations and Maintenance Exhibit**: Draft exhibit for the Development Agreement that summarizes the Developer’s obligations in respect of the provision of Operations and Maintenance Services within the Facility. The draft exhibit sets out obligations in respect of Operations Services, Preventative Maintenance Services and Renewal Work Services throughout the Facility along with illustrative Operational and Performance Standards for the Train Hall Unit specifically.

Each of the foregoing is added to and made part of the Farley RFP.

- 2) For prospective respondents to the Farley RFP who have signed and returned the Confidentiality Agreement as outlined on Page 31 of the solicitation, the following materials have been uploaded to Buzzsaw:
 - a. **Add Alternate No. 1A**: Describes additional work to be completed for the E Yard related Add Alternate No. 1 (issued February 10, 2015). These new drawings include work that will be required by Amtrak for their work on E yard catenary and have no impact on the drawings issued 2/10/15.

Each of the foregoing is added to and made part of the Farley RFP.

3) The Project Sponsors are amending the Farley RFP as follows:

On page 46, in the Submission Requirements section, the following sentence is added to the end of the paragraph under “Base Rent”:

“Base Rent must be expressed as a proposed lump sum, upfront payment amount to be made at closing of binding legal documents. Separate Base Rent amounts must be proposed under both 49-year and 99-year lease scenarios, respectively.”

On page 49, the criteria item titled “Financial Offer” is deleted and replaced with the following:

Financial Offer	“Net Impact” is proposed upfront Base Rent payment plus the net present value of PILOT payments for Years 1-33 less the proposed Train Hall Work Fixed Price amount (as set forth in the Project Information Supplement – “Farley RFP Workbook”). Net Impact will be scored using the upfront Base Rent payment applicable to the lease term selected by Project Sponsors.	40%
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On page 49, the criteria item titled “Project Design and Timing” is supplemented with the following:

- Amount of Proposed Railroad O&M Contribution Requested.

The Submission Requirements section is supplemented to include:

“Project Information Supplement – “Farley RFP Workbook.” Respondents must complete and submit this form in Excel format with their Proposals. In addition to submitting a print-out with the hard copy of their Proposal, Respondents must submit this form in Excel format with the electronic copy of their Proposal.”

“Financial Model. Respondents must submit a complete and accurate financial model with projections for a full 49-year term with variable inputs in Excel format that includes: 1) Projected total and monthly development costs, including a breakout of Train Hall Fixed Price subcomponents, as well as hard and soft cost subcategories; 2) Projected rents and expenses by space type; 3) Annual operating pro forma; 4) Monthly details on construction financing, including product type and rates; 5) Details on long-term financing, including product type and rates; 6) Expected equity returns.”

Any questions regarding this addendum may be submitted to the designated contact account for this solicitation at empirestation@esd.ny.gov. To receive updates when new addenda are posted to the ESD website, please email empirestation@esd.ny.gov. If you have already emailed this account, you will be notified of future updates.