

New York City Economic Development Corporation
New York City Council Oversight Hearing:
Amazon HQ2 Oversight—Stage 1: Exposing the Closed-Door Process

Introduction:

Good morning, Speaker Johnson, Chair Vallone and members of the Economic Development Committee.

I am James Patchett, president and CEO of the New York City Economic Development Corporation, known as EDC. We are responsible for driving and shaping economic growth across the five boroughs. EDC, in conjunction with our state counterpart, the Empire State Development Corporation, led the bid to bring Amazon's new headquarters to New York City. I am here today to discuss that process, the 25,000 jobs that will result, and the outsize positive impact it is projected to have.

I will be happy to answer questions following my testimony.

New York City Economy:

Four weeks ago, Amazon announced it had selected Long Island City for its new corporate headquarters. This is the single biggest job creation opportunity in New York's history. Amazon has committed to creating at least 25,000 jobs over the next 10 years, with potential to expand up to 40,000 jobs over the next 15 years. It is projected to deliver a direct fiscal impact of over \$27.5 billion to the city and state over the next quarter century.

These figures make it clear that Amazon's presence will fortify the city's economy and give thousands of New Yorkers new, viable pathways to the middle class.

Today, when the city's unemployment rate is at four percent, a record low, and we are home to 4.5 million jobs, a record high, it is easy to believe that New York is safe from future economic blows. Critics may say our economic foundation is strong, and we don't need these jobs.

But as the head of the city's economic development corporation, I have a responsibility to ensure we never become complacent and fail to prepare for the next recession. And we know there will be a next recession, as is the nature of economic cycles.

One only needs to look at the very recent past to show how economically vulnerable our city can be, and how some downturns can be catastrophic. In fact, it's not hyperbole to say a few have threatened the city's very existence.

- In April 1988, the city's unemployment rate was 4.6 percent—the lowest it had been in 18 years. After a tumultuous decade, New York City seemed to have turned the corner. But soon Lower Manhattan's office vacancies climbed to almost 18 percent, crime chipped away at the tourism industry, and Wall Street started to tank. By 1992, unemployment rose to close to 12 percent. At that moment, an economic development project like this would have been welcomed with open arms.
- In February 2001, the city's unemployment rate was 5.1 percent—a low for the period. Yet seven months later, Lower Manhattan lay in ruins, and no one was sure any CEO would ever locate her company in the city again. In that moment, an economic development project like this would have been welcomed with open arms.
- In January 2007, the city's unemployment rate was 4.6 percent. Less than two years later, the collapse of a Wall Street titan put the city's economy in free fall and the entire financial services industry in jeopardy. By October 2009, the unemployment rate had spiked to over 10 percent, and it wouldn't return to 4.6 percent for another ten years. In that moment, an economic development project like this would have been welcomed with open arms.

I recognize that there are concerns about Amazon coming to New York. But I would urge residents not to lose sight of the most crucial part of this story: Amazon's presence is vital to our efforts to diversify the economy and safeguard ourselves from downturns like these, or even worse, like the Fiscal Crisis.

In 1975, Mayor Abraham Beame and Governor Hugh Carey visited President Ford in the White House and begged for a bailout. Without one, they said, the city would probably not be able to pay its bills, and the entire city could devolve into anarchy. Ford, as you might recall, effectively told New York to "drop dead." This is not the deep past—this was less than 50 years ago. I am sure many in this room remember how the city spent the next few months implementing emergency stopgap measures to save itself.

We ultimately emerged from the Fiscal Crisis, but we were not unscathed:

- The city lost about 5,000 police officers in a mass layoff—between July 1975 and November 1979, not a single police officer was hired or trained in the city.
- The city workforce was cut by 65,000, and public hospitals removed 3,000 beds.
- And, for the first time, CUNY students had to pay tuition. As a result, 70,000 students left the school.

On top of major investments like Amazon protecting us against future downturns, city officials and stakeholders have spent decades trying to encourage commercial development in Long Island City. This is still a logical strategy: Long Island City sits at the geographic center of the city, is well-served by commuter and freight rail, and is near regional airports. Despite these strengths, turning the neighborhood into a central business district has proven to be an uphill battle time and again.

In 1990, Citigroup opened its Court Square HQ, which brought roughly 3,000 jobs to the community. This was supposed to be a watershed moment, one that would spark a renaissance for Long Island City, but the predicted mass migration of companies never happened. Instead, Queens continued to lose out on good-paying jobs to places like Jersey City and Stamford.

In 2001, the City Council voted 31 to 0 to approve a 37-block rezoning plan for Long Island City, in the hopes that it would finally become competitive for attracting commercial development.

This effort resulted in a small uptick in business, but nothing that would transform the neighborhood into the major central business district that elected officials envisioned.

The biggest success of this era happened in 2010, when JetBlue agreed to stay in New York City. The company committed to bringing close to 900 jobs to Long Island City, roughly four percent of the minimum number of jobs Amazon has committed to creating, and elected officials were ecstatic. It is also important to note that JetBlue received both as-of-right benefits and discretionary tax incentives to remain in the five boroughs.

Now, a decade later, we have a commitment that will bring tens of thousands of new opportunities in a range of fields, from tech, legal and advertising to administrative and custodial. And at a time when half the jobs in America pay less than \$19.00 an hour, or roughly \$39,500 a year, the average salary of new jobs created at the headquarters will be \$150,000 annually. Amazon is offering more than just jobs: these are ladders for upward mobility.

The Process:

Better futures for more New Yorkers was the impetus for responding to Amazon's search for its new headquarters, which was issued in September 2017.

A month later, New York, along with 237 other cities across North America, submitted a formal proposal for Amazon's new headquarters.

Submitted with ESD, this bid made the case for New York City, and leaned into our deep talent pool, unmatched quality of life, and growing tech sector. We stressed that no other city could offer what we could: more Fortune 500 companies than any other North American city, 105

institutions of higher learning, and some of the most diverse neighborhoods on the planet. We didn't just make a pitch for jobs—we shared our values and made sure Amazon understood them.

In the press release EDC issued announcing that the proposal had been submitted, we cited that four business districts had been identified that could serve as the home of Amazon's new headquarters: Long Island City, Midtown West, Brooklyn Tech Triangle, and Lower Manhattan. In September, prior to submitting the bid, the City issued an RFEI to solicit site ideas and information regarding space, programs, and other assets to include in the proposal. This generated more than two dozen responses from across the city.

That same press release also included a letter signed by more than 70 elected officials affirming support for the project, including many representing the LIC community.

Before we submitted our proposal to Amazon, city, state, and federal elected officials who represented the four neighborhoods in the bid were invited to participate in briefings on the project.

In these briefings, we explained that the four sites chosen were based on specific criteria, including phase 1 readiness, expansion potential and proximity to transit. We also noted that the four sites also advanced our own policy goals of growing the tech economy and strengthening the surrounding neighborhoods.

In its original RFP, Amazon had included that they would require confidentiality and NDAs at the appropriate time. We believe that every city was subject to an NDA. Some may have already been covered by an existing one with Amazon, as was the case with ESD. At the time we also noted that this practice is standard for negotiations of this kind.

The bid was out, and so it seemed was New York City from the running. CNN reported that Atlanta had 2-1 odds of winning the competition, with Philadelphia and Boston trailing a distant second and third. CityLab put its money on Chicago and Dallas. And The New York Times, our own hometown paper, said that Denver was the only viable option for the new headquarters.

But in January 2018, Amazon announced its short list of 20 cities for its second headquarters, which included New York City. At this juncture, Amazon contacted the city and the state to request additional information.

In April 2018, Amazon came to New York as part of its ongoing tour of finalist cities. During this brief visit, we sold the company on our workforce, creativity, and ability to deliver on ambitious projects. There were site visits, as well as conversations about our tech ecosystem, possible academic partnerships, and public realm improvements.

Following the visit, Amazon began to narrow its focus on New York. In July, when it became clear we were a serious contender, we continued to show the company everything the city has to offer. This included hosting another round of site tours, having in-depth conversations about talent, and ironing out details on timelines. It is important to highlight that several city sites were on the table until the fall.

In late October, discussions with the company advanced rapidly. This, of course, culminated on November 13, when Mayor de Blasio and Governor Cuomo announced that Amazon had selected New York City.

According to a Quinnipiac poll released last week, most New Yorkers are excited that Amazon's new headquarters will be built here. The poll shows New Yorkers overwhelmingly support the company's decision to come to Long Island City by a 2-1 margin.

But we have heard that some New Yorkers are concerned that they will not be adequately represented in the process to bring Amazon here and have questions about the deal.

From the start, the city played an integral role in developing the bid with the state. Our first priority was, and remains, to ensure this deal gives thousands of New Yorkers a chance to participate in the tech sector and will strengthen our economic foundation for decades. This is why we set up the newly-formed Community Advisory Council, or CAC, to shape how this project is developed. In close coordination with EDC and ESD, this body will be able to advise on the headquarters' design, infrastructure investments, workforce programming, and more.

Amazon's headquarters will be set up through a General Project Plan, or GPP. This tool is triggered by state involvement and has historically been used for large scale economic development projects. I would like to make two important points about GPPs:

- First, the GPP process is the vehicle that has delivered some of our most successful economic development projects, from turning a dilapidated swath of the East River waterfront into Brooklyn Bridge Park, to revitalizing a dangerous Times Square into the iconic crossroads of the world it is today, to redeveloping the former industrial waterfront property along the East River into Queens West.
- And second, this tool likely would have been utilized anywhere in New York the company wanted to move. Albany, Buffalo, Syracuse, and Westchester all submitted bids for the new headquarters. And if any of them had won, a GPP would likely have been used. This is not unique to New York City and is by no means an attempt to deliberately circumvent the ULURP process.

I now want to talk about the deal that was offered to Amazon, because this was in no way a cash giveaway.

Contrary to the counternarratives reported in the press, New York City did not offer a single dollar of discretionary incentives to Amazon. Even before the bid was submitted, Mayor de Blasio said we would not offer any city financial incentives, and we upheld this promise. We did this even though almost every other city in the running put millions, and in some cases, billions of dollars on the table. We believe upholding commitments like these shows the administration's real values.

The numbers have been attributed to incentives the city put on the table are as-of-right, which are offered to any business that meets pre-qualified criteria. In this case, there are as-of-right incentives available to any company locating or building commercial real estate outside the core of Manhattan. These were deliberately created to spur job growth in the outer boroughs and make jobs more accessible to all New Yorkers.

The state did provide an incentives package to Amazon, but one that was ultimately worth far less than what was offered by cities crowned as front-runners. This includes Montgomery County, Maryland, which offered \$170,000 per job, Newark, New Jersey, which offered \$140,000 per job, and Philadelphia, Pennsylvania, which offered \$112,000 per job. To put it into perspective, New York State offered close to 50 percent less than Philadelphia per job created.

Over the next 25 years, New York City will receive over \$13.5 billion in tax returns, and New York State will receive over \$14 billion. This allows the city and state to see an unbelievable 9 to 1 return on its investment. This is the highest return New York City has ever seen for an economic development project.

Moreover, because of New York's higher local tax rate, the city and state will collect an estimated \$6.8 billion more in tax revenue than Virginia, the other municipality where Amazon is building a new headquarters. This is despite being promised the same number of jobs by 2029.

Increased tax revenue isn't a "nice to have." It's fuel for progressive policies, including improving our public-school system, increasing our housing stock, and shoring up our social services. We can't be a leader in implementing forward-thinking ideas if we have no way to pay for them.

I want to close by revisiting a statement drafted for Mayor Beame for October 17, 1975, the day New York was supposed to declare bankruptcy. In it, the Mayor told the city how he planned to

prioritize funding as the city braced for the worst: first, the city would pay for police and fire protection. Next it would provide food and shelter for those who relied on municipal support. Further down on the list was maintaining public schools. The last item was payments due to the retired and aged.

Fortunately, this statement was never issued. But the city came within an inch of letting elementary schools rot and decay and endangering the elderly because our coffers were empty. Unfortunately, the damage was already done for the tens of thousands of workers who lost their jobs, the public hospitals that saw their funding evaporate, and the toddlers whose daycare centers closed their doors.

As the head of the economic development corporation, it is my job to make sure that no city mayor ever has to weigh whether to keep police on the streets or our daycare centers open ever again. If we don't internalize these historical lessons, we run the risk of reliving these tough times. And for my own children, and every child in New York City, that is not a risk I am willing to take.

The Amazon deal substantially mitigates this risk by making the city fairer for residents today and stronger for generations tomorrow. It will create incredible job opportunities for New Yorkers of all backgrounds, shore up our lagging infrastructure, and help Long Island City finally realize its potential as a thriving business hub.

Thank you for your time this morning, and for your interest in this critically important topic. I will now answer any questions you may have.



**Statement of Brian Huseman
Vice President, Public Policy
Amazon
before the
New York City Council
Committee on Economic Development
December 12, 2018**

Thank you Speaker Johnson, Chair Vallone, City Council Member Van Bramer, and Members of the City Council for inviting us here today. I am Brian Huseman, Vice President of Public Policy at Amazon. I am joined by Holly Sullivan, our Head of Worldwide Economic Development. Amazon's mission is to be Earth's most customer-centric company. Our company philosophy is firmly rooted in working backwards from what customers want. We do this by continuously innovating to provide customers better service, more selection, and lower prices. We apply this approach across all areas of our business.

Many people are surprised to learn that we already have thousands of employees in New York City across our retail, operations, and web services teams. And we are now thrilled to be building a new headquarters in Long Island City and creating at least 25,000 jobs. We will hire residents from Queens, the Bronx, Brooklyn, Manhattan, Staten Island, and across New York State for both technical and non-technical jobs beginning next year. But it is not only about offering employment to New Yorkers, we want to be a good neighbor to the residents of Long Island City and the rest of New York. We are still in the very early stages of this process and intend to be an active participant in the issues facing the community and make community investments that benefit New York City residents.

Today, I would like to discuss three topics: (1) why we chose New York and our vision for our LIC headquarters; (2) our commitment to workforce development; and (3) our commitment to the community in which our employees will live and work.

Most importantly, we are here to listen and learn. New York is one of the greatest cities in the world and we are grateful for the opportunity to be a contributing part of its fabric.

I. Why We Chose Long Island City and our Vision

Last month, Amazon announced that we selected New York City and Arlington, Virginia, as the locations for our new headquarters. Amazon will invest \$5 billion and create more than 50,000 jobs across the two new headquarters locations, with more than 25,000 employees each in New York City and Arlington. The new locations will join Seattle as the company's three headquarters in North America. As you know, our New York City headquarters will be located in the Long Island City neighborhood of Queens. Our investments in each new headquarters will spur the creation of tens of thousands of additional jobs in the surrounding communities.

We chose New York City for our headquarters because it is a diverse, innovative city that can attract great talent locally and from around the world. Long Island City, Queens, and New York as a whole are home to a robust network of diverse talent that can be tapped on day one and provide an unrivaled opportunity to create a long-term talent pipeline, especially through our education and job training partnerships.

We do not see this simply as an investment. We have made specific commitments already and we will be joining with our neighbors to advocate for the future of Long Island City. Specifically, as part of our commitment to Long Island City, Amazon will provide more than 500,000 square feet for: (1) a public school; (2) workforce development and training space focused on community recruitment; (3) public open space at the public development site; (4) light manufacturing space; (5) community facility use/artist workspace; (6) art and tech accelerator space; (7) prebuilt incubator space; (8) business incubator space; and (9) public open space at the private development site.

We also want to talk about the investment Amazon is making. New York and Long Island City will benefit from more than 25,000 - and up to 40,000 - full-time high-paying jobs; approximately \$2.5 billion in Amazon investments, and 4 million square feet of energy-efficient office space, with an opportunity to expand to 8 million square feet. The economic benefits to New Yorkers are also unprecedented. It is expected that our HQ will generate \$186 billion in economic activity for New York State over the next 25 years. This includes \$14 billion in tax payments to the State and over \$13 billion in tax payments to the City.

As indicated in our Memorandum of Understanding (MOU), Amazon will receive performance-based direct incentives of \$1.525 billion based on the company creating 25,000 jobs in Long Island City. This means that Amazon will not receive any incentives until we create jobs and occupy buildings here. To be clear, if we do not create jobs for the City, we will not receive the listed incentives. In addition, the State can recapture the grant funds if we do not hire and retain the amount of jobs indicated in our hiring timeline.

Amazon's property taxes on the development site will help fund local infrastructure improvements in Long Island City through a Payment in Lieu of Tax (PILOT) program that will include public input. This is all in addition to the other space Amazon has agreed to donate. The company also will invest in infrastructure improvements and additional green spaces. We believe both our employees and the community will benefit from being stitched into the fabric of the neighborhood, where amenities are open to everyone. This is our vision for the Long Island City waterfront.

Our Long Island City headquarters will expand our already significant presence in New York City. Amazon currently has more than 5,000 employees in New York City. This year we also launched a fulfillment center in Staten Island. This \$100 million facility employs over 2,500 people who make an average of \$17.50 - \$23.00 per hour and receive world-class benefits, including health care, parental leave, and access to our Career Choice educational benefits. And as you may know already, earlier this year we announced our nationwide commitment to increase our employees' minimum wage to \$15 per hour, which went into effect last month.

We already know that New York City is an amazing place to hire talent - not just tech talent, but skilled laborers for all types of jobs, and we look forward to our headquarters bringing even more New Yorkers into our Amazon workforce.

II. Our Commitment to Workforce Development

Amazon has a legacy of customer obsession and a rich culture of innovation. We are taking this same inventive approach to cultivating our workforce and envisioning what it will look like in 10, 15, and 20 years down the road to ensure we continue to innovate on behalf of our customers. As part of this effort, we are strongly committed to workforce development programs that provide individuals with the skills and education necessary to take on the jobs of today and tomorrow. We want to work hand-in-hand with the community to make sure economic development uplifts everyone.

Amazon will embark on robust workforce development efforts. Along with the City and the State, we agreed to make an initial \$5 million investment (which is \$15 million in total with the City and State) to fund workforce development initiatives in conjunction with our headquarters. We will collaborate with the City and State over the next ten years to establish workforce development initiatives that will impact thousands of students and workers. For instance, these initiatives will include NYC-based technology training programs that will work with diverse demographics, including New York City Housing Authority (NYCHA) residents. We will recruit and interview students graduating from such programs and work on internship and work-based learning programs. We also will hold semi-annual recruiting events with residents of the Queensbridge Houses.

These are just a few examples of the type of workforce development programs we will bring to New York City. We are here for the long term. We want to immediately hire New Yorkers and build a pipeline of talent to provide employment opportunities to residents of all educational and life backgrounds.

We also will work with the City, the State, local elected officials, and the local community through the Community Advisory Committee process, allowing the public an opportunity to provide input on infrastructure and workforce development needs. At Amazon, we listen to our local communities and customers and work backwards from their needs to accomplish our objectives. We will do the same with our new Long Island City neighbors.

We believe a great example of Amazon's commitment to workforce development is our Career Choice program. Career Choice is an upskilling program for our hourly employees to obtain vocational certificates and two-year degrees that will lead to employment in well-paying, in-demand jobs, whether at Amazon or in another industry. Career Choice classrooms are located in our fulfillment centers and are surrounded by big glass windows. Our goal was to bring the program to our employees and eliminate the challenge of logistics, such as going across town after work to attend class, which can deter participation. The glass windows also allow associates to walk by and see their peers attending classes, which is intended to serve as inspiration and encouragement to enroll.

Through Career Choice, Amazon prepays 95% of tuition, up to \$12,000 over a four-year period. The program launched in 2012 and to date more than 12,000 employees (in the US) have utilized the program, and we have a goal of enrolling 20,000 Amazonians by 2020. Amazon wants to ensure our Career Choice programs will prepare associates for in-demand job opportunities; this is key to us. We know first-hand that the skills gap is a major challenge for our country's workforce.

Career Choice is one example of our innovative approach to workforce development. We look forward to partnering with Long Island City and communities across New York on similar efforts.

III. Our Commitment to the Community

Amazon has long been committed to communities where our employees live and work. We are a bit different than most companies – instead of offering free lunches and locating in suburban campuses, we take steps to encourage our employees to go out and be a part of the community. We prefer urban campuses. We have onsite food services that can serve only a small percentage of our workforce, so our employees can frequent local restaurants and retail establishments. We connect to the community by design.

We also are diving deeper than ever to provide innovative, creative, and unique ways to support communities across the world. We are particularly focused on our neighbors in immediate need – families fighting homelessness, hunger, and natural disasters. We also are focused on the next generation – providing resources and igniting passion for STEM (science, technology, education, and math) education. We follow the energy of our employees – we encourage Amazonians to champion the causes and organizations that are near and dear to their hearts.

One example of our community engagement efforts is the recent launch of our Amazon Future Engineer (AFE) program. AFE is a comprehensive childhood-to-career program to inspire, educate, and train children and young adults from underserved and low-income communities to pursue careers in computer science. Amazon aims to inspire more than 10 million kids each year to explore computer science through coding camps and online lessons. We fund introductory and Advanced Placement (AP) courses in computer science for over 100,000 underprivileged young people in 2,000 low-income high schools across the U.S. We also award 100 students from underserved communities pursuing degrees in computer science with four-year \$10,000 annual scholarships, and provide paid internships at Amazon to gain work experience. New York is a great location to expand on this mission, and since our announcement last month, 34 New York City schools have committed to launch the AFE program next year.

While we have already agreed to significant community engagement commitments, we look forward to working with community residents and leaders to determine how best to implement these commitments. We want every member of the City Council here today - and leaders from across the City - to know that our doors are always open. We want to meet with you and engage in meaningful dialogue.

In sum, I want to express our commitment to Long Island City and all of New York. We will offer well-paying jobs to Queens and New York City residents. We also are committed to robust workforce development programs and to engaging on programs that help the community. We are humbled and grateful to be a part of the next chapter in New York's great history.

Thank you for the opportunity to come before you today. I look forward to your questions.

Empire State Development Corporation
633 Third Avenue
New York, New York 10017

New York City Economic Development Corporation
110 William Street
New York, New York 10038

November 6, 2018

Plaxall, Inc.
5-46 46th Avenue
Long Island City, NY 11101
Att: Paula Kirby

Long Island City Development Project

Dear Ms Kirby:

This memorandum of understanding (the "MOU") sets forth certain understandings and agreements among New York State Urban Development Corporation d/b/a Empire State Development ("ESD"); New York City Economic Development Corporation ("NYCEDC" and ESD, the "Public Parties"), and Plaxall, Inc. ("Plaxall"), concerning a potential project (the "Project") involving Plaxall's properties identified on Attachment A hereto (the "C Sites"). The Public Parties and Plaxall agree to work diligently together in good faith to undertake the actions described herein in order to implement the Project expeditiously and successfully.

- (1) The parties would, as part of an overall General Project Plan for the Anable Basin section of the Long Island City waterfront, cooperate to secure entitlements on the "C Sites" that would allow for the equivalent of: (a) 5.65 FAR of residential development (of which 5 % would be light industrial space); or (b) 8 FAR (of which 5 % would be light industrial space) of either commercial development or a combination of residential and commercial development with residential FAR not to exceed 5.65. Development on the "C Sites" shall fulfill requirements of one of the current MIH programs and shall not exceed 320 feet in height exclusive of obstructions created by mechanical equipment or enclosures. The term "commercial" as used in this provision shall be deemed to include any non-residential uses.
- (2) As part of such General Project Plan, ESD would take ownership of the C Sites as necessary in order to offer Plaxall exemptions on mortgage recording taxes and, in connection with materials used in the construction of any project on the C Sites, sales and use taxes.
- (3) Separate from the General Project Plan and prior to its adoption, Plaxall will offer the City of New York, or a City instrumentality such as NYCEDC or the School Construction Authority (hereafter, the "City"), a call option to purchase the proposed school site (located on

Block 56, lots 18 and 35 on the Tax Map) included as part of its currently active City land use application, such option to expire five years after execution, at a fair market price to be determined by a third party appraiser at the time of sale based upon today's zoning and permitted uses of such site; provided however that such option would be of no force and effect and would expire in the event that the City and Plaxall should mutually agree upon the development of a school at an alternative location on mutually agreeable terms. The City and Plaxall agree to cooperate, at no cost or expense to Plaxall, in making accommodations for any then-current tenants of the school site, including as necessary any relocation of such tenants, prior to the City's exercising the call option described in this provision. Further, the parties hereto agree that the option will not be exercisable until the General Project Plan, as set forth in paragraph 1 above, is the subject of a final, unappealed and unappealable approval.

(4) From and after the date a written agreement is entered into between the City and Plaxall regarding the call option, Plaxall will not enter into any new leases at the school site with a termination date later than the end of the call option period, and any additional agreements to occupy space at the school site entered into prior to the end of the call option period shall be terminable at will by Plaxall on no more than 30 days' notice.

(5) The parties agree that they would cooperate in good faith to examine additional opportunities for development at one or more sites in the "Core" of Long Island City, such development to be consistent with ongoing City land use priorities in that area.

(6) Plaxall and the Public Parties agree that, except as set forth in Section 3, (a) neither the provisions of this MOU, nor any discussions had or to be had between Plaxall and the Public Parties in respect of the Project shall in any event form the basis for any action against, or claim of liability on the part of, any or all of Plaxall and the Public Parties; and (b) this MOU is non-binding and does not create or give rise to any legally enforceable rights or legally enforceable obligations or liabilities of any kind on the part of any party hereto. The terms of this Section 6 shall survive the expiration or earlier termination of this MOU.

(7) This MOU is terminable at will by the Public Parties or Plaxall upon sixty (60) days written notice.

(8) Any notices, statements, certificates, requests, demands, or other communications required or permitted to be given to any party to this MOU will be in writing and delivered by overnight mail, addressed to the parties at their respective addresses set forth above or to such other addresses as such party may designate in the manner herein provided. Notice will be deemed received on the date of receipt.

(9) This MOU may be executed and delivered in counterparts by facsimile or other electronic means, each of which so executed and delivered counterpart is original, and such counterparts, together, shall constitute but the same instrument. Each of the parties hereto agrees to

additionally execute, and deliver, original copies of this agreement circulated subsequent to its initial execution and delivery by facsimile or other electronic means.

Please execute this MOU below to indicate your acknowledgment of, and agreement to, the foregoing.

Signature Page Follows

Very truly yours,


NEW YORK STATE URBAN DEVELOPMENT
CORPORATION d/b/a EMPIRE STATE
DEVELOPMENT

By: _____
Howard Zemsky
President and Chief Executive Officer

NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION

By: _____
James Patchett
President and Chief Executive Officer

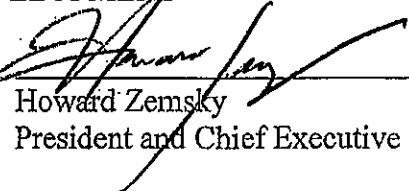
PLAXALL, INC.

By:  _____
Name: Paula Kirby
Title: Managing Director

Very truly yours,

NEW YORK STATE URBAN DEVELOPMENT
CORPORATION d/b/a EMPIRE STATE
DEVELOPMENT

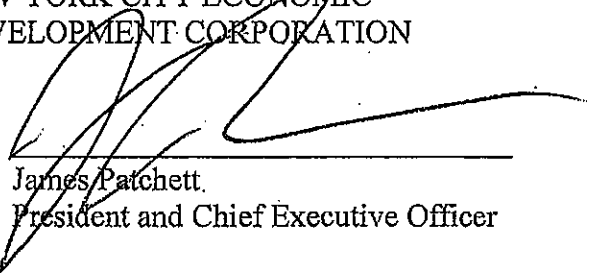
By:



Howard Zensky
President and Chief Executive Officer

NEW YORK CITY ECONOMIC
DEVELOPMENT CORPORATION

By:



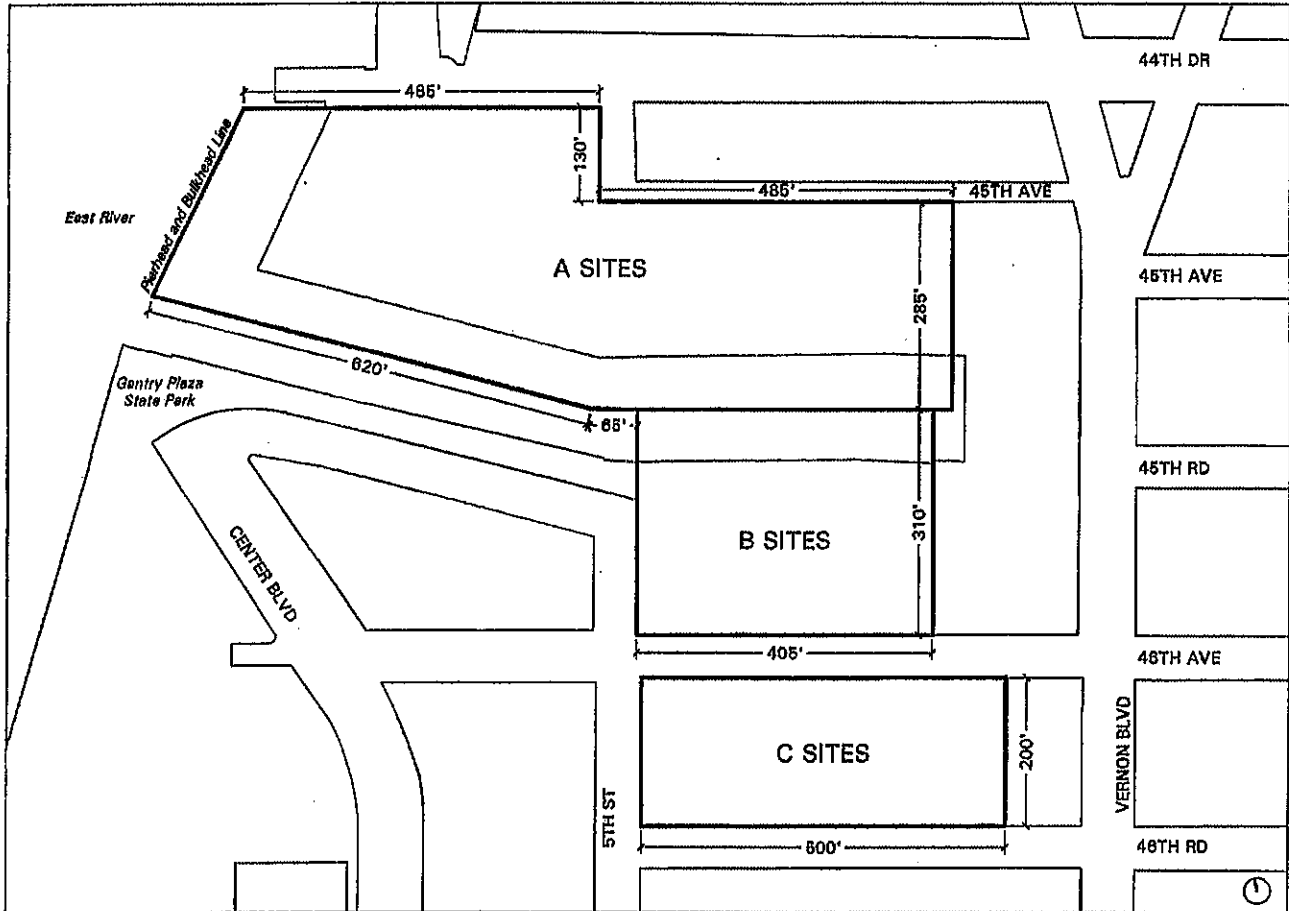
James Patchett
President and Chief Executive Officer

PLAXALL, INC.

By: _____
Name: _____
Title: _____

Attachment A

C Sites



**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: BRIAN HUSMAN

Address: _____

I represent: AMAZON

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆