



Mayor Bloomberg - Coach to anchor first tower of Hudson Yards; Joined by Related Cos. and Oxford Properties

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Mayor Michael Bloomberg, the Related Cos., Oxford Properties Group and Coach, Inc. joined together to unveil Coach's new global corporate headquarters, which will anchor the initial tower of the Eastern Rail Yards site within the 26-acre mixed-use Hudson Yards development site. Coach's commitment to take over 600,000 s/f - more than one-third of the available commercial space at the tower - will, together with the completion of the #7 subway line extension and the new Hudson Boulevard Park, kick-start the development of the entire Hudson Yards area, a 60-block and 300-acre neighborhood. Construction on the 1.7 million s/f tower is set to commence in mid-2012 and be ready for occupancy in 2015. The deal was made public at the site of future development near the corner of 11th Ave. and 30th Sts., where the mayor and the development team were joined by deputy mayor Robert Steel, speaker Christine Quinn, Tom Prendergast, president, MTA New York City Transit, Ann Weisbrod, president of the Hudson Yards Development Corp. and New York City Economic Development Corp. Seth Pinsky.

"Opening up the far West Side of Manhattan to development - turning the vacant rail yards site into a hub of commercial activity - is a historic economic development project that will create jobs for generations to come," said Bloomberg. "Today's news will have a domino effect on the rest of the development. Coach, a quintessential New York brand and major employer in the City, has been part of the City's economy for 70 years, and now they are leading the way to a vibrant future for Hudson Yards."

The first tower encompasses a total of 1.7 million s/f of commercial office space and will rise 51 stories, adding new class A office space to the area. Designed by Kohn Pedersen Fox Associates, the LEED Gold building will be located on the corner of 30th St. and 10th Ave., bridging the Chelsea and Hudson Yards. Coach will occupy the lower one-third of the building where they will create a vertical campus with a vast atrium serving as the visual anchor for the High Line. This central atrium will also be the heart of Coach's space, and is reflective of the company's collective and community-focused environment. The Coach tower is the south tower of a planned 5.5 million s/f "superblock building complex" bound by 10th Ave., 33rd St., Hudson Blvd. and 30th St.

"In 1941, Coach was founded as a maker of fine leather goods in a New York City loft and we are honored to be the cornerstone of New York's next great neighborhood," said Lew Frankfort, chairman and CEO of Coach Inc. "The city is part of our DNA and its spirit is central to all that we do. We're delighted to be staying in the area we have called home for more than 50 years and the fact that our global corporate headquarters will be adjacent to the top of the High Line is particularly exciting. The 10th Ave. spur, which will border our building, is the widest portion of the High Line and will become a focal point for cultural events."

"Coach, Inc. under Lew Frankfort's direction has a well-deserved reputation as a forward thinking

and innovative brand and today's announcement to locate Coach's world headquarters at Hudson Yards only further reinforces that standing and paves the way for construction to begin next year," Stephen Ross, chairman and CEO of Related Cos.said. "Mayor Bloomberg and his administration have not only shown tremendous vision by conceiving the revitalization of the Hudson Yards district, but they have continually moved forward all aspects of their plan to see that vision realized. The Hudson Yards represents the next chapter in New York's history. The vibrant, modern, green, mixed-use environment with state-of-the-art technology that we will provide at Hudson Yards will help ensure New York City retains our competitive advantage for decades to come."

"The spirit of innovation and excitement at Hudson Yards is palpable, and this spirit is echoed in Lew Frankfort and his team at Coach, Inc.," Blake Hutcheson, president and CEO, Oxford Properties Group said. "Coach has world class leadership, tremendous vision, and a formidable brand image, and their choice to anchor the first tower at Hudson Yards for their new world headquarters shows confidence in our plans for this extraordinary development and in the City of New York. Oxford is proud of all our partners in the Hudson Yards development, and especially proud that those partners now include Coach."

"The development of Hudson Yards has been a top priority of the Bloomberg Administration," Steel said. "Today's announcement by Related, Oxford and Coach is a tangible sign of confidence from the private sector that Hudson Yards will indeed be New York City's next great neighborhood."

"Related's investment in the Railyards, and Coach's decision to remain in the Hudson Yards area for many years to come, is exciting proof of the success of the City's \$3 billion infrastructure investment in the Hudson Yards district," said Weisbrod. "This is the first of many new developments that will transform the Hudson Yards into a vibrant mixed-use community and an extension of the Midtown Central Business District."

"Today, we are another step closer to unlocking the economic potential of Hudson Yards," said Pinsky. "Thanks to the significant investment by the City and our private partners, what was once an underutilized tract of land will soon be transformed into a dynamic, mixed-use destination, which will include new office space, residences, retail, hotels, open space, and access to the City's waterfront. I would like to congratulate Coach on becoming the anchor tenant, and thank them for their vote of confidence in the future of this area as well as New York City."

"We are thrilled to announce that Coach will be the 26-acre site's first anchor tenant," said Quinn. "We rezoned this parcel in 2005 because we saw its incredible potential, and for Coach to move in during these tough economic times is a testament to how attractive the Hudson Yards area is for businesses. While the MTA will reap the benefits of the lease payments, the city will benefit with more construction jobs, the development of a currently underutilized area, and the presence of Coach in the neighborhood."

"Today's announcement marks an important milestone in the growth of New York's next great neighborhood, and the MTA is proud to play an integral role in making it happen," said Prendergast. "The extension of the 7 train is making enormous progress and remains on track to begin service to Hudson Yards at the end of 2013. And the development over these rail yards will help pay for the critical transit investments that keep our entire region moving and our economy growing."

"Coach has been a long-time commercial resident in the area," said assembly member Dick Gottfried. "It is very exciting news that it will be part of the Hudson Yards Development. As a major facility in the area, it is terrific that we will be able to keep Coach in the community."

"We are thrilled that Coach plans to stay in the community and, by doing so, has catalyzed the

construction of the final section of the High Line and the Hudson Yards," said Robert Hammond, co-founder, Friends of the High Line. "I would like to thank mayor Bloomberg, speaker Quinn, CSX Transportation, Inc., The Related Companies, and Coach for uniting with us to reach our ultimate goal: the full preservation of the final section of the High Line, including the spur over 10th Avenue, and its transformation into public open space for future generations of New Yorkers to enjoy. Once the entire freight rail structure is complete and open to the public, the High Line will provide an historic link, connecting our city's industrial past with the new development planned for the Hudson Yards. We look forward to finalizing the City's acquisition of this section of the High Line and working together to open it to the public as quickly as possible."

The MTA Railyards in the Hudson Yards district is the single largest piece of undeveloped property in Manhattan and will be the biggest development that has been realized since Rockefeller Center. Accommodating over 13 million square feet of commercial and residential space, development at the Railyards will transform the landscape of Manhattan and dramatically alter the City's skyline. Hudson Yards will attract millions of visitors a year and is destined to become New York's next great neighborhood. Over 20,000 construction jobs will be generated by the construction of the Coach Building . Over 100,000 construction jobs will be generated by development of the Eastern Railyard (including over 80,000 direct jobs) and over 10,000 permanent new jobs will be generated upon completion of both yards, which will also serve as home to 30,000 office workers.

The master plan for the Railyards comprises approximately 5,000 residences in nine residential buildings, 6 million s/f of state-of-the-art commercial office space, a 1 million s/f of destination retail complex, a 150-room five star hotel, a totally unique cultural facility, and a new 750-seat public school, all carefully planned around 14 acres of public open space. Key transportation investments are underway throughout the area around Hudson Yards including the extension of the No. 7 subway line. The No. 7 subway - on schedule for a December 2013 opening - will link the site to every major line in New York City, including the major subway nodes of Times Square, Bryant Park, and Grand Central Terminal, delivering exceptional access to Hudson Yards.

Through the construction of a billion dollar platform over the yards, the site will be transformed into a mixed-use neighborhood without compare. Hudson Yards will provide residents, workers and visitors with a destination that combines world-class private development with unique public parks and cultural attractions. Nearby attractions include the High Line, the extensive running and bike paths in the 5-mile Hudson River Park and the new Hudson Park and Boulevard, a sweeping 4-acre thoroughfare from 33rd to 42nd Street, creating a network of parks and public plazas that weave throughout the West Side.

Recognized as a significant contributor in the revitalization of Manhattan's West Side, the High Line has become a defining feature in its neighborhood and a powerful catalyst for private investment. In 2005, the City rezoned the area around the High Line to encourage development while protecting the neighborhood character, existing art galleries, and the High Line. The combination of the rezoning and the park has helped to create one of the fastest growing and most vibrant neighborhoods in New York City. From 2000 to 2010, the population within the rezoned area has grown more than 60 percent. Since 2006, after the rezoning was approved and construction of the High Line began, new building permits in the immediate vicinity of the High Line doubled and at least 29 major development projects have been initiated (19 completed, 10 underway). Those 29 projects account for more than \$2 billion in private investment, 12,000 jobs, 2,558 new residential units, 1,000 hotel rooms, more than 423,000 square feet of new office space and 85,000 square feet

of new art gallery space. In May, construction began on a new downtown home for the Whitney Museum of American Art, which will serve as a major cultural anchor at the southern end of the High Line when it opens in 2015.

CSX Transportation, Inc., the private rail freight company that owns the remaining unimproved portion of the High Line at the rail yards, has agreed in principle to donate this third and final section to the City. Ownership will be transferred once the City completes negotiations with underlying property owners. The City, State and The Related Companies have agreed in principle to preserve the entire historic structure of the High Line at the West Side Rail Yards, including the spur over 10th Avenue, and to develop it into public open space. Friends of the High Line has made significant progress on raising funds for the project, including a \$5 million challenge grant from The Tiffany & Co. Foundation, another \$5 million challenge grant from long-time High Line supporters Donald Pels and Wendy Keys, and, just last week, a \$20 million gift from the Diller-Von Furstenberg Foundation. In 2010, Oxford Properties Group, the real estate investment and development arm of the OMERS Worldwide group of companies, partnered with Related as general partners in the development. In May of 2010, Related and Oxford signed a contract with the Metropolitan Transportation Authority MTA for the 13 million s/f of development rights at the Hudson Yards. The development completed its zoning approval process in December of 2009.

In 2005, the City reached an agreement with the MTA to extend the Number 7 line west from Times Square to Hudson Yards. The project remains on budget and the first trains are set to run at the end of 2013. The subway tunnel is now fully excavated, and the Hudson Yards Infrastructure Corp recently issued the last \$1 billion in bonds required to finance the subway extension, and at the same rating as the original deal five years ago. Upon full build-out in 2040, almost 30,000 peak hour passengers will use the station. This will make it one of the busiest stations in the subway system.

Coach, with headquarters in New York, is a leading American marketer of fine accessories and gifts for women and men, including handbags, women's and men's small leathersgoods, business cases, weekend and travel accessories, footwear, watches, outerwear, scarves, sunwear, fragrance, jewelry and related accessories. Coach is sold worldwide through Coach stores, select department stores and specialty stores, and through Coach's website at www.coach.com. Coach's shares are traded on the New York Stock Exchange under the symbol COH.

Founded 39 years ago, Related Companies is a fully-integrated, highly diversified industry leader with experience in virtually every aspect of development, acquisitions, management, finance, fund management, marketing and sales. The Company's existing portfolio of real estate assets, valued at over \$15 billion, is made up of best-in-class mixed-use, residential, retail, office, trade show and affordable properties in premier high-barrier-to-entry markets. With offices and major developments in Boston, Chicago, Los Angeles, Las Vegas, San Francisco and South Florida, Related is well-known for having developed the 2.8 million square foot Time Warner Center in New York City and the 72-acre CityPlace in West Palm Beach as well as being a leader in green building.

Oxford Properties Group, the real estate arm of the OMERS Worldwide Group of Companies, is a global platform for real estate investment, development and management, with over 1,300 employees and approximately \$19 billion of real assets that it manages for itself and on behalf of its co-owners and investment partners. Established in 1960, Oxford was acquired in 2001 by OMERS, one of Canada's largest pension funds with over \$53 billion in assets. Oxford has regional offices in Toronto, London and New York, each with investment, development and management professionals who have deep real estate expertise and local market insight.

