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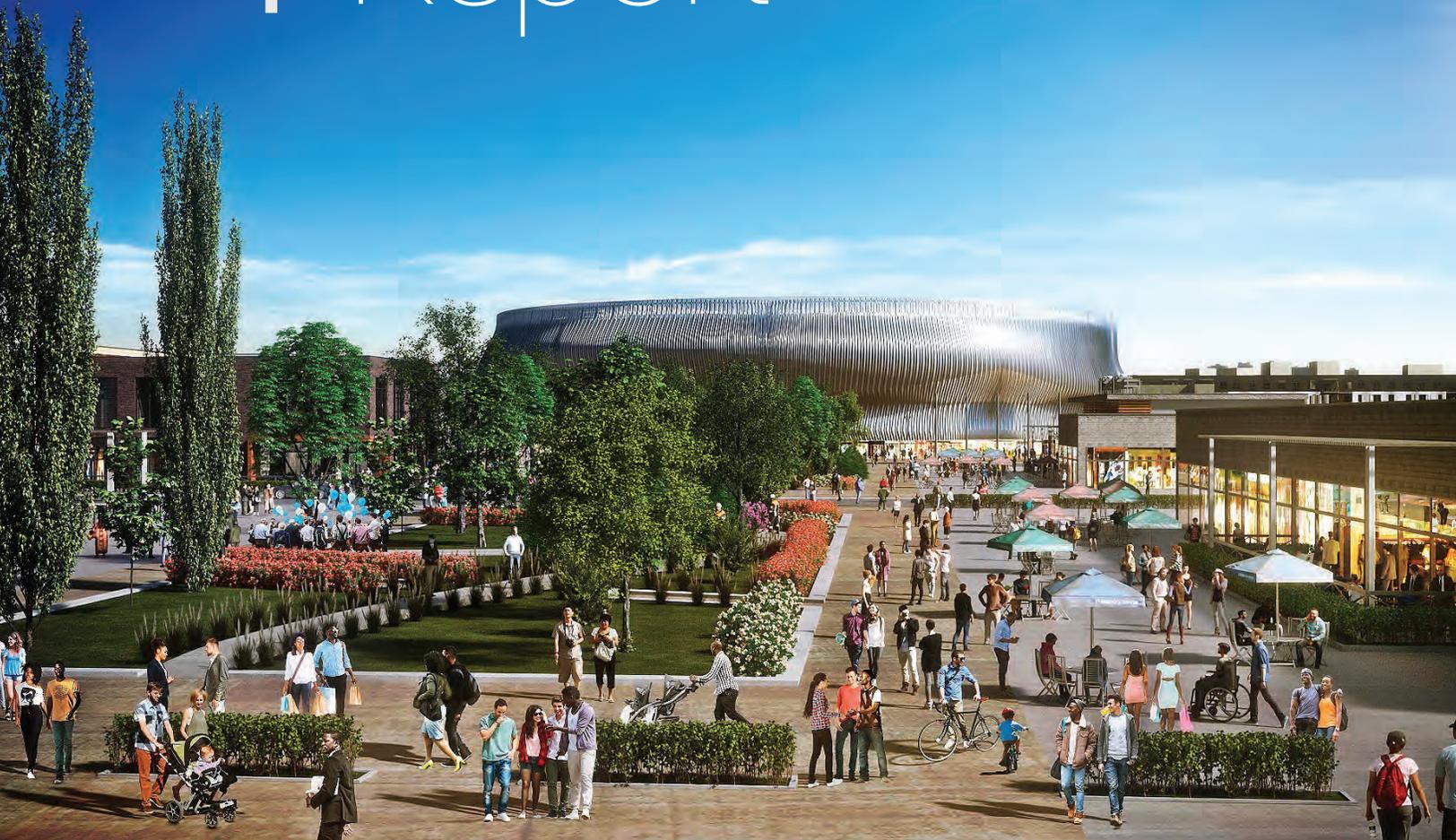
Nassau

Hub

Quarter 2

Development

Report



July 31, 2019

Dear County Executive Curran, Presiding Officer Nicoletto, Minority Leader Abrahams, and members of the Nassau County Legislature:

It has been an exciting and productive three months since our last project update. Per the Development Plan Agreement approved by the County in December 2018, we are pleased to provide you with the second quarterly report of 2019 detailing the steps we have taken toward creating a dynamic live-work-play community in the heart of Nassau County.

Since our previous report in April, we have substantially increased our community outreach through a series of town-halls, group meetings, and one-on-one discussions in the various communities surrounding the development site. In our meetings in the second quarter, we've connected with hundreds of community stakeholders on the project.

As we previously stated, our development approach is not a "take-it-or-leave-it" proposal. On the contrary, we believe that through a comprehensive outreach program, we have an opportunity to not only ensure that the community is involved in every step of the process, but that we are able to co-create a development plan that ensures the best ideas are incorporated. We have included several ideas that we have received in our meetings with the community in this second quarter report.

On a parallel track, we have continued to refine and advance a master plan for an infrastructural design that supports the diverse needs of the site. Our meticulous approach to a comprehensive site analysis has laid the groundwork for future efforts, and our continuous market research into core aspects of our program like retail and hospitality has helped us further define what we need to fulfill our vision of the Hub as a marquee Long Island destination. We are thrilled with the progress made in the first half of 2019 and we anticipate a busy and exciting fall.

Thank you for your continued support in bringing this ambitious and forward-looking project to fruition.

Sincerely,

Scott Rechler, Chairman and CEO of RXR Realty
Brett Yormark, CEO of BSE Global

Nassau Hub

Quarter 2

Development Report

In the second quarter of 2019, RXR and BSE have taken the following actions to advance the Nassau Hub development:

- Continued our community outreach efforts through meeting with local non-profits, speaking with civic and community groups and visiting local programs.
- Convened the second meeting of the Community Benefits Advisory Committee (CBAC) with ongoing input from working groups.
- Advanced and refined the project's master plan.
- Continued discussions with Northwell Health related to design, planning, and overall cost estimates for its Innovation Center at the Hub.
- Continued the necessary groundwork for any SEQRA analysis of the proposed project.
- Finalized preliminary context and site analyses.
- Advanced and refined the application to the Empire State Development Corporation (ESDC) for the supporting infrastructure funding made available for the project.

Our progress is detailed below under the following sections:

1. Comprehensive Community Outreach
2. Master Planning Efforts
3. Northwell Health
4. Experiential Retail Program
5. Environmental Analysis
6. Support from the State of New York



1 Comprehensive Community Outreach

Listening Tour

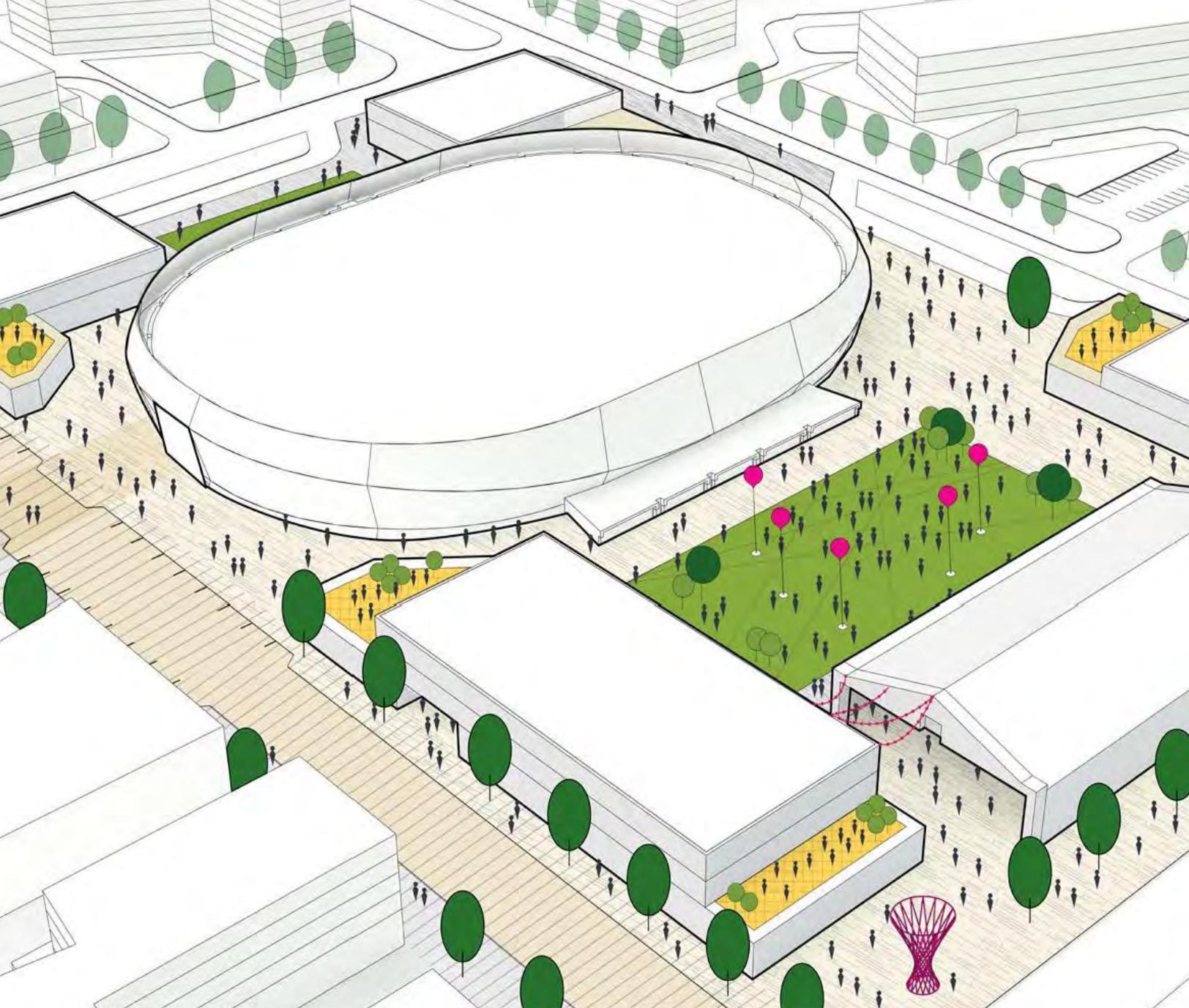
Deep engagement with the surrounding community has been central to our work this quarter. We continued our regional listening sessions and met with hundreds of community members over the past three months.

overlapping theme across each of the working groups was ensuring that the surrounding communities feel connected to the development – through job and business opportunities, marketing, program collaboration, and accessibility.

After the conclusion of all five working group sessions, the CBAC held its second meeting on July 12th. Though the CBAC members received a comprehensive project update from RXR and an additional presentation on Nassau Coliseum efforts from BSE Global, most of the meeting was dedicated to a thorough review of the discussion points and principal goals that the working groups identified in their first sessions. The feedback from the working groups will be essential in helping the CBAC determine its final opportunity inventory.

We are looking forward to the second round of working group sessions and third CBAC meeting next quarter.





2 Advancing Master Planning Efforts

As we outlined in our first report, our intention is to create a fully-integrated campus that embodies our vision of “innovation everywhere”. We have made significant strides towards the development of a carefully thought-out, community-driven plan that is consistent with current zoning, to guide us in realizing this ambition. We are working with globally-renowned design firm CallisonRTKL to begin mapping out building locations, the distribution of uses throughout the site, and honing our thinking about the Hub’s architectural character and its urban design framework.

Local Analysis

BIKE/PEDESTRIAN CONNECTIVITY

The pedestrian and bike network is underdeveloped and disconnected. There is an opportunity to connect the area's trails and bike lanes to other park trail systems, economic and shopping centers, and LIRR stations for a more robust network, that would be complimentary to other transit improvements.



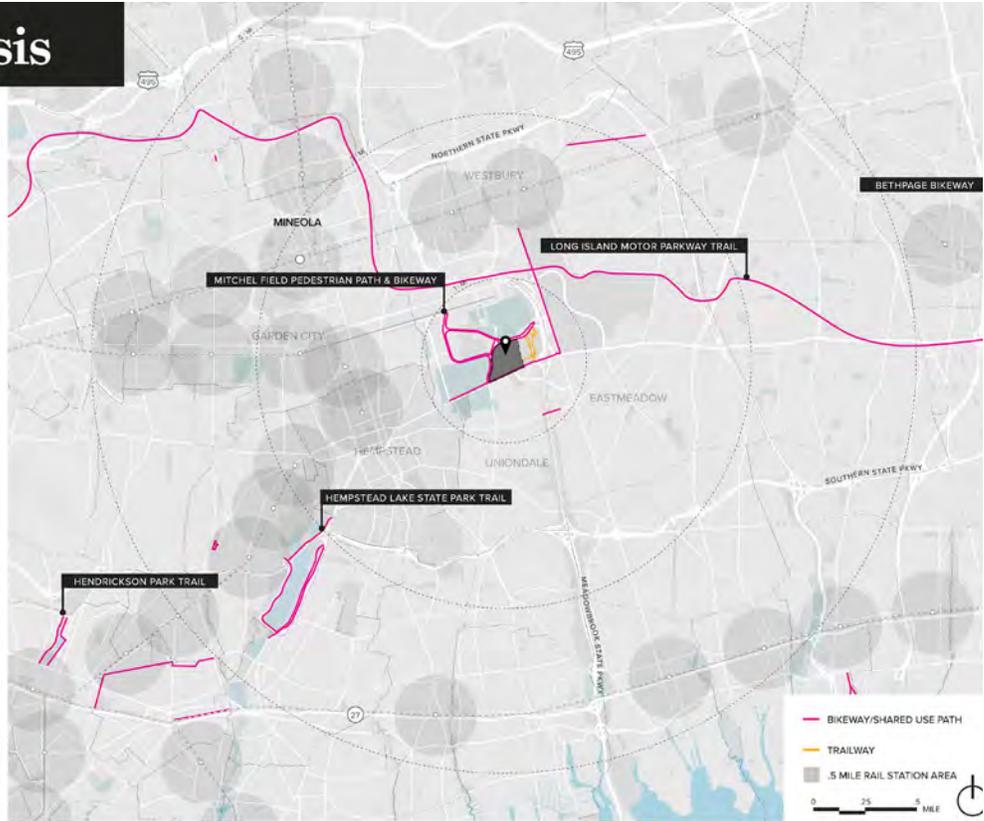
3%

of workers within a 3-mile radius
WALK to work



>1%

of workers within a 3-mile radius
BIKE to work



CONCEPTUAL MASTERPLAN REPORT / EXISTING CONDITIONS / JULY 2019 / CONFIDENTIAL

Source: Claritas Spotlight, 2019 - 3-Mile Radius Pop-Facts

Site & Context Analysis

CallisonRTKL has completed a Site Context Analysis — a detailed analysis of the region, the local area and the site itself — to help the development team come to a better understanding of our assets and challenges, including current land uses, local demographics, daytime population and travel patterns, and industries represented within the community.

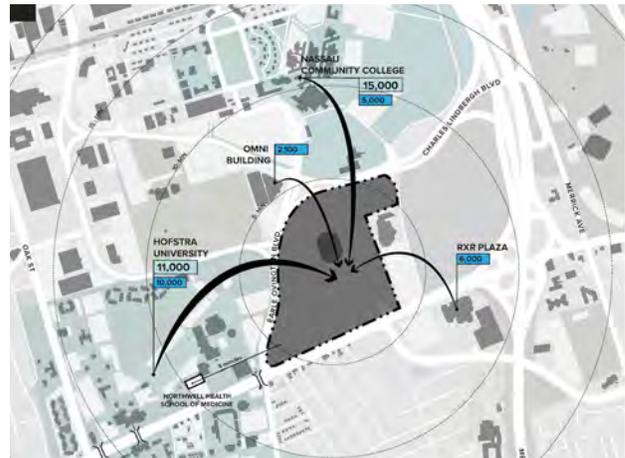
Guiding Principles

Our planned layout for the Hub is coming together in finer detail as we determine specifics regarding space-defining infrastructural considerations like roadway design, streetscape character, parking placement and access, open spaces, district-wide elements, architectural concepts and special features. The site's three main sections—the innovation district, town center, and combined sports and entertainment districts—will each have a distinct architectural quality. We are developing a clearer image of what each will look like so together they form an organic whole.

The overarching objective of the Master Plan is to

Site Analysis

DEMOGRAPHICS 15 MINUTE WALK



Workers	Students
2,100	11,000
10,000	15,000
6,000	
5,000	
23,100	26,000
49,100	



17,612

POPULATION within a
1- mile radius and
4,397 HOUSEHOLDS

foster connectivity, collaboration and innovation through strong anchors, a solid identity, a complementary mix of uses and the infrastructure to promote creativity and growth. The space in-between the buildings is critical to achieve its objective.



Guiding principles for the landscape design are:

- **Walkability:** create a walkable neighborhood.
- **Connectivity:** make safe, convenient and seamless connections.
- **Activity:** encourage movement through the site and active use of the public realm.
- **Mobility:** prioritize pedestrians and promote transportation alternatives.
- **Sustainability:** design for the future and maintain flexibility to adapt to change.
- **Innovation:** allocate space dynamically and envision an integrated mobility system.

In addition to best practices in sustainable landscape design, the design needs to consider new technology to actively manage mobility including in-pavement and mounted sensors, digital signage and dynamic parking availability applications.

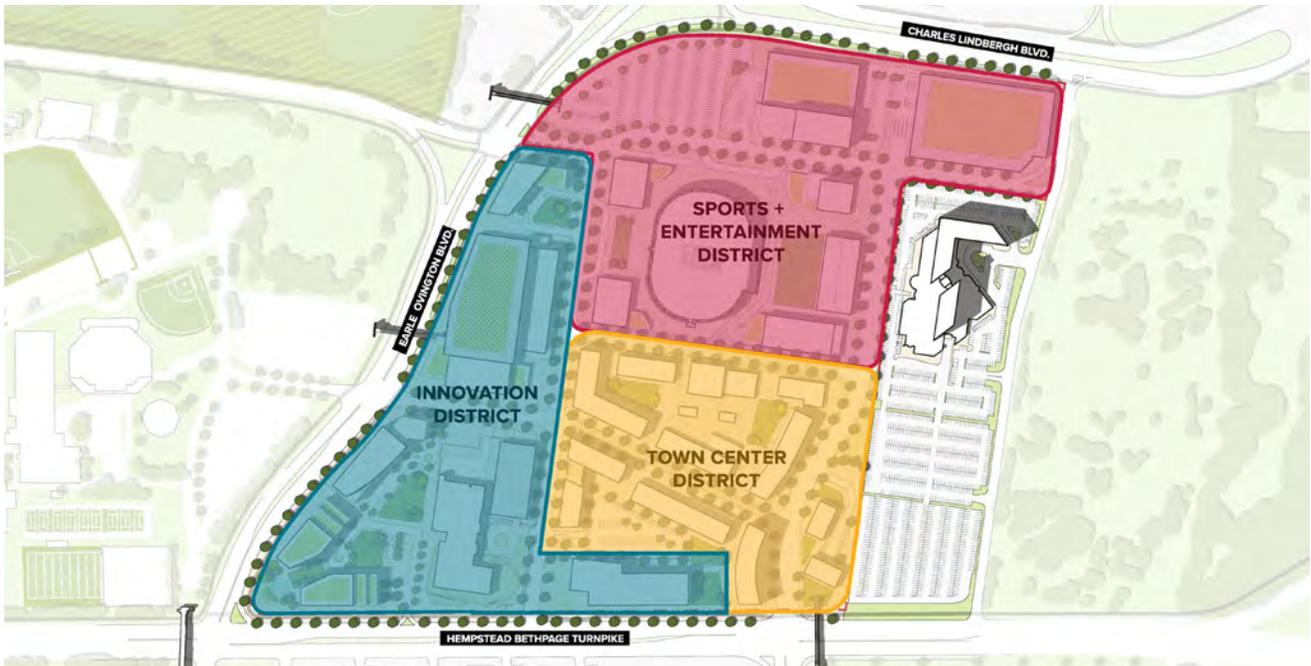
Development Zones + Activity Centers

Current thinking about the plan assumes that there would be three development districts:

Innovation District: a cluster of offices, research and development uses, training facilities, hotels and small-scale retail. This zone is anchored by the new Northwell Health Innovation Center at the southwest corner of the site. Most parking will be situated underground; Surface parking is limited to accommodate deliveries, pick up and drop off.

Town Center District: multi-family buildings with ground floor retail and restaurants, centered around a more intimate square. The Town Center is pedestrianized with curb-less, shared streets that can be closed off to traffic for events such as street festivals and farmers markets. This zone includes co-living and co-working. Parking is anticipated to be underground with limited curbside parking for drop-off and delivery.

Sports & Entertainment District: event venues, cultural and conference centers and office spaces, oriented around a large public plaza in front of the Coliseum's main entrance. This zone could include two parking structures, one of which would be home to a sustainable array of solar panels.



Each development zone will have its own distinct character and identity which is reflected in both the architecture of the buildings and landscape design.

Community Responsive Complete Streets

The Conceptual Master Plan takes a “complete streets” approach and assumes that the streets are for everyone, designed to balance safety and convenience for everyone using the road. Streets are public spaces that can support a multitude of activity and function - not only movement of vehicles, pedestrians and cyclists, but also places to gather, socialize, stay and play. The new district will have a pedestrian area at its core with shared streets that would have generous, accessible sidewalks. The street design also assumes flexibility through moveable street furnishings that enhance pedestrian experience, as well as curbside management to respond to the different traffic patterns and parking needs on “Game Day” vs. “Every Day”.

Circulation Plan

The circulation plan is designed to:

- minimize vehicular movement and through-traffic by directing traffic generated by games and events at the Coliseum directly from the arterial roads into the parking garages.
- allow for temporary street closures during game days without cutting off access into the underground garages dedicated to residents, workers and visitors of retail and restaurants in the Town Center and Innovation District.
- prioritize pedestrian and bicycle movement while calming and reducing the speed of vehicular traffic throughout the site.

Open Space Strategy

The central component our vision is a network of public spaces that service multiple purposes, connected by an activated streetscape. The open space strategy establishes gathering spaces, small parks and plazas, rooftop parks and other special features.

Honing in on Specific Components of the Master Plan:

Efficient use of energy and the development of sustainable infrastructure remain core priorities as we move forward in the design process. This quarter, we were pleased to meet with potential partners for our energy master plan to evaluate the most efficient and forward-thinking means to provide power and utilities to the site.

A top-quality hospitality program is an important component of our well-rounded mixed-use proposal for the Hub. This quarter we began taking a deep dive into the hotel market to refine this aspect of our plan and find opportunities for the Hub to be a driver of tourism growth.

Finally, we have held pre-construction consultations to begin to determine the most efficient phasing options for the site. These conversations will give us a chance to consider the practicalities of making this visionary project come to fruition for Nassau County.

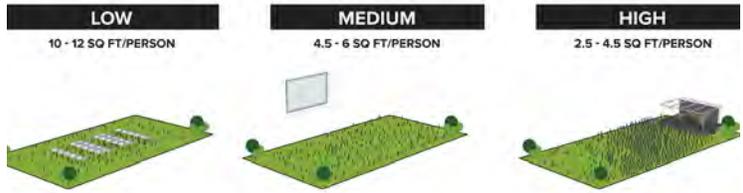
Innovation District

OPEN SPACE CHARACTER



Sports + Entertainment

USE SCENARIOS



- Farmer's Market
 - Holiday Market
 - Art Show
 - Yoga/Fitness Classes
 - Picnicking
- Outdoor Movie
 - Outdoor Cirque-du-Soleil performance
 - Educational/School Programs
- Outdoor Concert
 - Game Day Activities
 - Festival

OPEN SPACE CHARACTER



Town Center

OPEN SPACE CHARACTER



3 Northwell Health

In partnership with New York State's largest private employer, Northwell Health, as our innovation district anchor, we are excited to see the Hub become a center for the next generation of experts in the field of life sciences. Northwell's program and state-of-the-art facility will complement those of nearby Hofstra University, Adelphi University, and Memorial Sloan Kettering; its proximity to these leading institutions will foster creative collaboration and the collision of new ideas.

Northwell will not only embody our vision for the site as a center of innovation, but will provide technical training to expand the local workforce, spur the development of new businesses, and provide educational programs geared towards local primary, secondary and college students to stimulate interest in STEM and healthcare careers.

Northwell has convened a steering committee of thought leaders from its organization to help define its program at the Hub. We are grateful to have gained a greater understanding of what this group envisions for the Innovation Center, and we have begun to support their design and planning efforts.

The Center will:

- Develop a dedicated hub to encourage learning, inquiry, and the development of new ideas and technology
- Stimulate and seed the growth of the next-generation economy and create a talent pool to support that growth
- Bring together unique scientific and medical programs to complement current life science investments on Long Island
- Spur the creation of new businesses in cutting-edge fields, and serve as a magnet for established industry leaders
- Showcase to the public and the business community the exciting STEM work taking place at the Innovation Center, Northwell Health and throughout Long Island.

4 Entertainment Retail Program

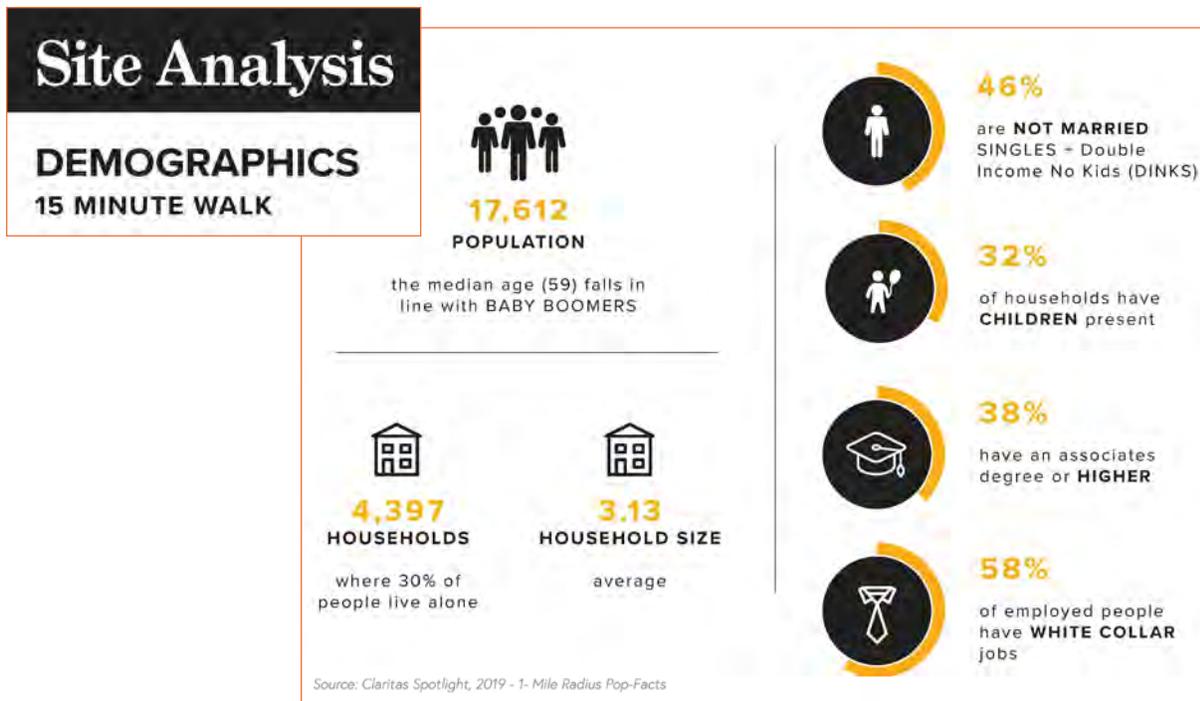
The Nassau Hub's success as a destination for Long Islanders and visitors depends in no small part on the strength of its entertainment and retail offerings. Our goal is to create an experiential program that will be complementary to the Coliseum.

This quarter we laid the foundation for a retail plan that will be both world-class and locally authentic, and that will address the needs of communities we expect to visit the Hub.

With our collection of market demographic data, we have set the groundwork for our upcoming focus groups and market surveys, which will inform our master plan as we think about how our target population will live, work, visit and shop at the Hub.

We have begun developing preliminary marketing materials and art direction for preliminary leasing efforts as well as discussions on branding strategy, in preparation for the next step in bringing this program to life.

We continue to meet with potential retailers to identify the best anchor and ancillary tenants for our site and to ensure that our program is tourism-driven, locally authentic, well curated, immersive and experiential.





5 Environmental Analysis

Maintaining a thoughtful approach to how the Nassau Hub will impact the local environment is as important to us as ensuring the flow of benefits to the community. To this end, we have begun to update our existing background conditions report, including the evaluation of traffic patterns and traffic counts in the immediate area. This data will serve as the basis for the analysis of our ultimate proposal. More detailed counts will be taken this fall when traffic levels reflect more regular work and school populations, consistent with best practices and the requirements of the reviewing agencies.

Our plan will take into detailed account everything from the efficient use of water resources and stormwater management to ensuring that construction is done using the highest industry standards. We will carefully consider such environmental factors as local soil, topography and existing ecological resources, and social factors like existing land use and community character. We will situate our environmental analysis within a firm understanding of the socioeconomic context of the area, and will aim to help elevate and improve the local environment for residents and visitors.



6 Securing Support from the State of New York

One of our top priorities this quarter has been to compile the necessary materials and conduct the required economic analysis in order to submit a comprehensive updated application package to the Empire State Development Corporation (ESDC) for the \$85 million parking garage grant, included in the State's FY 2016-2017 budget. The Governor has also identified an additional \$40 million for the project, which will be critical in developing key infrastructural items for the site—like the pedestrian bridges connecting the site to the surrounding communities, and the education and laboratory space at Northwell Health's Innovation Center.

We anticipate completing the updated grant application materials for the \$85 million and submitting it to ESDC in August.

As part of this process, we are updating and finalizing the economic impact analysis for the Hub. The analysis, which will be kept up-to-date throughout the approvals process, will help us determine the extent of benefits to the community and the region. We anticipate that the project will serve as a significant engine for economic development in Nassau County, as well as the surrounding communities.

7 Next Steps

We have made significant progress in the second quarter of 2019 in turning our vision for the Nassau Hub into reality. Looking ahead to the third quarter, we expect our work to center more squarely on refining and developing the master plan for the site that is closely aligned with the stated community needs that we have been focused on defining this quarter.

Our agenda includes:

- Continuing an open dialogue with local communities and maintaining a close collaborative relationship with the CBAC and working groups.
- Submitting our ESDC grant application to secure funding for the \$85 million parking grant.
- Working with Northwell Health to further develop a detailed plan for its Innovation Center.
- Honing our plan for the site's architectural character and urban design framework.
- Moving forward with pre-construction consultations to determine an optimal phasing schedule.
- Developing actionable recommendations from our market research—focusing on amenities, planning, design, aesthetics, services, digital touchpoints, marketing and branding.
- Conducting outreach to potential retail and entertainment vendors and tenants.
- Continuing discussions with innovative businesses to complement Northwell's presence at the site and amplify our innovation program.
- Continuing dialogue with the Town of Hempstead throughout our planning process.

We will have more information to share on all of the above this fall, and we will continue to keep you fully apprised of our progress towards bringing this project to fruition.

We are eager to see the Hub reach its potential as the consummate model for suburban development on Long Island and beyond. With commitments to community and innovation as our two guiding principles, we are more confident than ever that this project will be a valued destination for visitors from near and far, and that it will bring multifold benefits to local residents, Nassau County, greater Long Island, and the state of New York.

Thank you again for your leadership and collaboration in helping us achieve our vision.



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www.nassauhub.com