

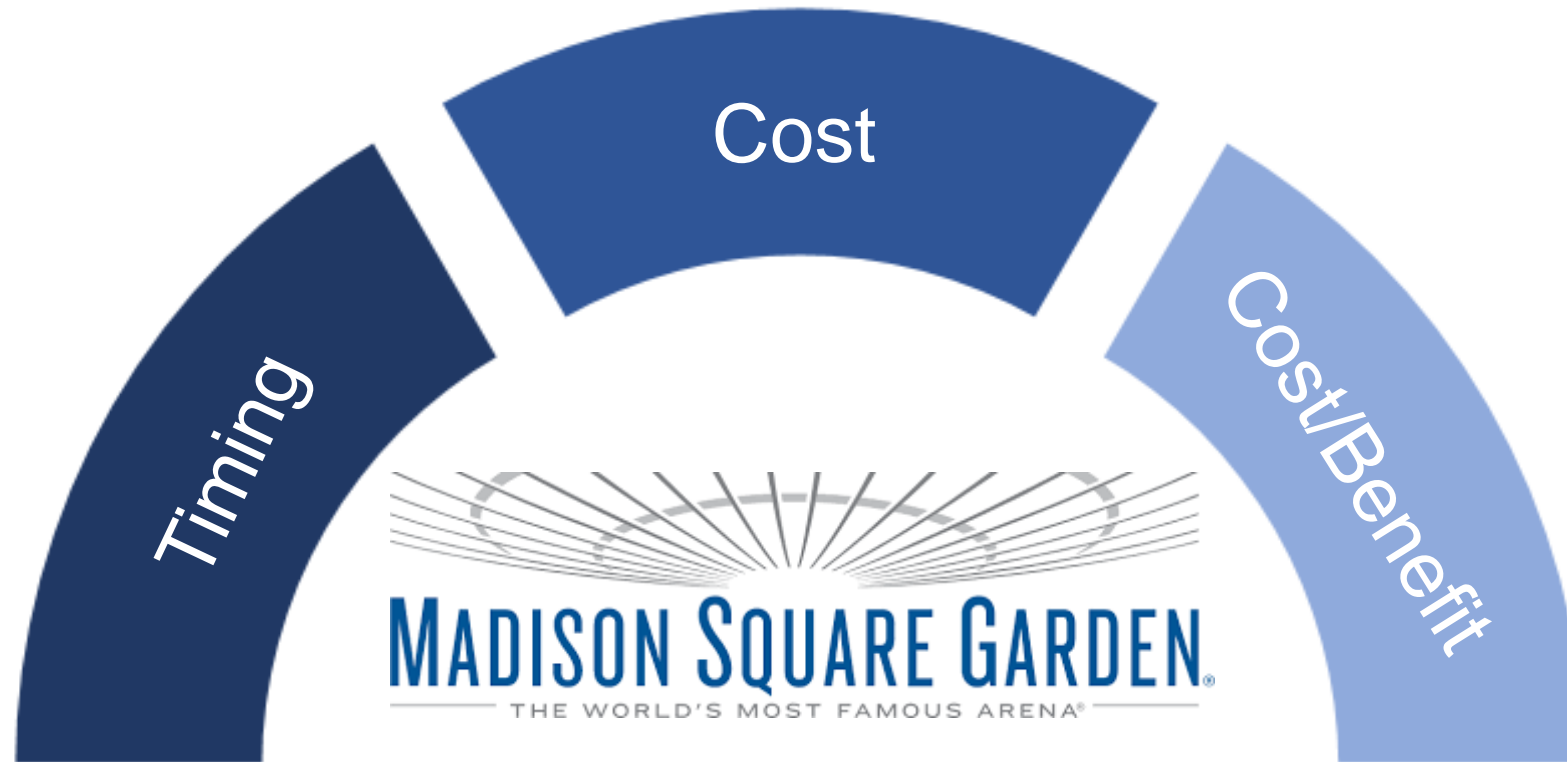


Empire Station Complex

Community Advisory Committee Working Group

Meeting 6: Moving MSG vs Keeping MSG
June 1, 2021

MSG – Relocation Considerations



MSG – Timing



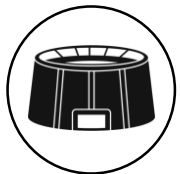
Relocating MSG would take years, and we don't have years



Projected 2030 Hudson River Tunnels completion necessitates Penn Projects move forward this year



Federal funding window for Penn Projects is immediate



MSG recently invested nearly \$1B to upgrade facility; not close to the end of its useful life

MSG – Cost

Estimated Cost to Buy Out MSG

Land/Building/Air Rights:	\$1.15B ¹
New Land:	\$3B ²
Demo (2 blocks):	\$360MM ³
New Arena:	\$2B ⁴

Estimated Cost to Reconstruct Penn (Again)

Demo of MSG:	\$75MM ³
New Penn:	\$2B

TOTAL: \$8.585 Billion



¹ 985,600 sf + 1.4MM unused air rights; valuation from Forbes, 4/20

² assumes acquisition of 2 blocks at FMV; condemnation would be more

³ assumes \$75/sf

⁴ MSG Sphere in Las Vegas = \$1.826MM to date

MSG – Cost/Benefit Analysis



Minimal to no operational benefits for Penn that aren't achieved by PSMP options



A new building would be built on 8th Avenue to offset costs (similar density to Two Penn), so numbers of columns affecting Penn would likely be the same or more



Current location maximizes use of transit by 4 million patrons and reduces area vehicular traffic



Plans do not preclude moving MSG in the future when its useful life has expired, and other pressing priorities for Penn have been achieved

MSG – Cost/Benefit Analysis



If another \$8B materializes, top priority should be extending the Penn Expansion project eastward