# One World Trade Center

## Proposed Observation Deck Lease With Legends Hospitality, LLC

**March 20, 2013**

ONE WORLD TRADE CENTER

THE PORT AUTHORITY OF NY & NJ

# Overview

**The Port Authority recommends Legends Hospitality, LLC as the operator to develop and manage the Observation Deck at One World Trade Center.**

- Legends offers an attractive combination of:
  - Experienced and well-capitalized partner
  - Exciting design concept
  - Compelling financial proposal

- The project provides significant private capital for the WTC site without any additional Port Authority investment.
- The revenue is projected to be $875 million over the term of the 15-year lease.
- The project validates PA's plan to continue to attract private capital to WTC and recoup the PA's substantial investment in WTC rebuilding.
- This creates a spectacular destination atop the iconic structure for 3.8 million projected annual visitors.

***The Observation Deck atop One World Trade Center***

# Background

**Legends' selection caps a rigorous competition with six teams of proposers as part of a year-long RFP process.**

- Objective has been to select a best-in-class partner to:
  - Develop and operate a world premier observation deck
  - Maximize revenue to One WTC
  - Create a world-class attraction
- RFP team and constructability teams performed extensive due diligence on the proposals:
  - PA (WTCR, WTCC, Procurement, Law and Engineering)
  - The Durst Organization
  - AECOM entertainment group

| Key Milestones | Date |
|---|---|
| RFQ Responses Received | Feb 2012 |
| RFP Proposals Received | May 2012 |
| Presentations and Diligence | Jun - Aug 2012 |
| Short List Determined | Sept 2012 |
| Best and Final Offers | Oct 2012 |
| Final Diligence and Review | Oct - Nov 2012 |
| Lease Negotiations and Projected Execution | Dec 2012 - Apr 2013 |

# Legends' Overview

**Legends is a premier company in sports and entertainment and is renowned for delivering a variety of services at world-class venues across the nation.**

Company and Team

LEGENDS

- Provides broad range of services to major sports and entertainment facilities and organizations.
  - Expertise in customer management (food and beverage, retail, and tours), sales and sponsorships
  - Wide range of world-class venues includes Yankee Stadium and Cowboys Stadium
  - Welcomes millions of customers annually
- Legends' world-class team includes:
  - The Hettema Group (attraction / show design)
  - Montroy Andersen DeMarco (architect)
  - JRM (construction management)

***Brands & stadiums for New York Yankees and Dallas Cowboys***

# Observation Deck Overview

**Visitors to *One World Observatory* will experience unparalleled views from above 1,250 feet – the highest vantage point in New York City.**

- Entrance through two separate lobbies on ground and concourse levels
- Dramatic double-height spaces on floors 100 - 102
- Five dedicated elevators will ascend to the top in approx. 60 seconds – among the world's fastest
- Projected opening in early 2015

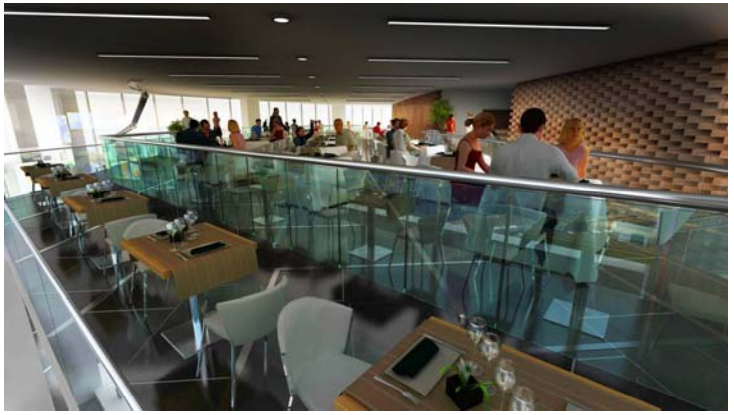
# Design Overview

**Legends' design offers a state-of-the-art visitor experience in the largest and most high-tech observation deck in the country.**

**Concept and Experience**

- Concept focuses on storytelling and renewal, and offers full range of visitor amenities:
  - **Observatory**: pre-shows, elevator time-lapse experience and "See Forever" theater on level 102
  - **Dining**: diverse options on level 101
  - **Gift Shop**: offering a variety of high-quality items
  - **Special Events**: dedicated space for events
- Experience features multi-media exhibits and interactive displays

***Main entry on concourse level***

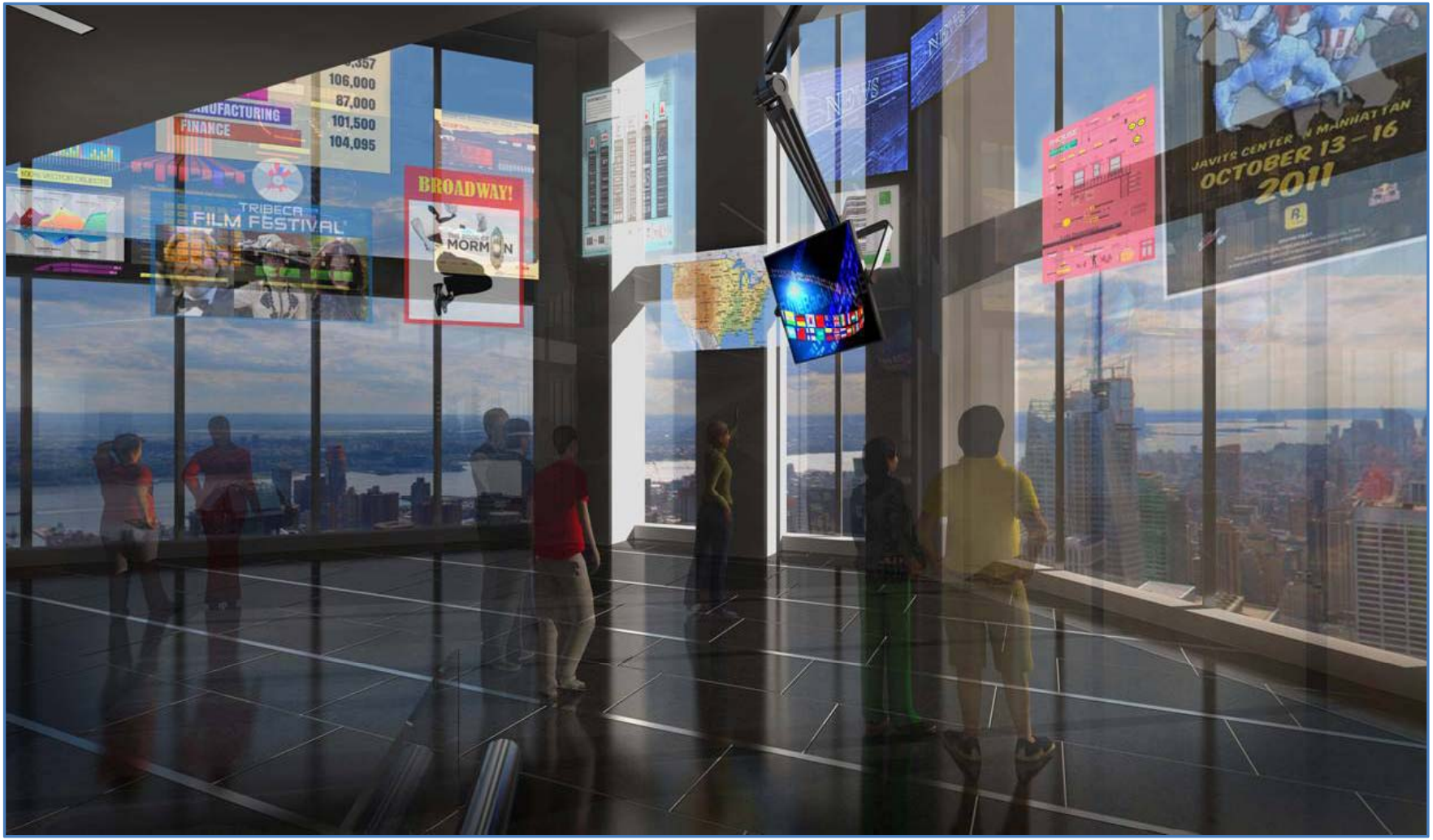


***Dining on Level 101***

# Attraction Images

***Concourse level pre-show***

# Attraction Images




***Interactive displays and magnificent views on level 100***

# Transaction Highlights

| | |
|---|---|
| **Term** | Fifteen (15) years |
| **Legends' Investment** | Approximately $62.5 million |
| **PA Capital** | None required |
| **Rent** | Significant annual fixed rent and additional annual variable rent |
| **Guarantee** | Strong financial guarantee throughout the term |
| **Capital Reserve** | 2% of annual gross revenue for renewal and upgrades |
| **Admissions** | Comparable to other similar world-class attractions with discounted rates for local schools and community groups |