



The United States Postal Service ("USPS") owns the Old Chelsea Station, located at 217 West 18th Street, New York, NY, a property that includes developable air rights that USPS does not need. USPS is self-supporting and does not receive tax dollars for its operations. As part of its efforts to address its serious financial challenges, USPS anticipates selling the surplus air rights to raise revenue for USPS and increase jobs, economic activity and tax revenues for the community.

To facilitate the sale, USPS anticipates converting USPS's current fee ownership of the existing property to a condominium ownership under New York law comprised of a "Residential Unit" and a "USPS Unit" and common elements. The Residential Unit would consist of (i) the air-rights and (ii) certain other portions of the existing property for uses such as a residential lobby entrance, a gym, and areas necessary for additional mechanical space and structural elements. USPS anticipates distributing in January 2015 a request for proposals ("RFP") to purchase the Residential Unit. USPS plans to continue its occupancy and operations at this location.

The Old Chelsea Post Office is listed in the National Register of Historic Places. Any sale is subject to USPS complying with Section 106 of the National Historic Preservation Act and 36 CFR Part 800. USPS anticipates recording a preservation covenant that will bind the selected bidder and its successors and assigns and restrict construction that affects historic character defining features of the existing property.

USPS believes existing zoning would permit the selected bidder to develop the air-rights into an 8-story residential tower, not exceeding 83 feet above the existing roof deck, with a total gross floor area up approximately 59,272 square feet and with each floor containing up to 7,409 square feet. The selected bidder will be responsible for design and construction of improvements associated with developing the air rights. USPS preliminary design criteria call for the tower to be set back from the front of the building to preserve the visual aesthetics of the existing façade. The attached preliminary drawings reflect USPS's conceptualization of the residential tower.

The selected bidder also will be responsible for obtaining necessary approvals required for the project, including all necessary permits, and for compliance with all applicable laws, ordinances, statutes, and regulations, including zoning requirements, environmental requirements, building codes, historic preservation requirements, and other relevant laws of the federal, state, and local governments having jurisdiction over the existing property and the condominium.

After USPS receives and reviews responses to the RFP, it anticipates selecting a bidder and negotiating a purchase and sale agreement with that bidder. Subject to that negotiation, the bidder then would have a 90 day due diligence period to review the property and elect to terminate the transaction or to proceed to close the sale, with closing to occur within 30 days after formation of the condominium. Thereafter, the timeline for development of the air-rights would be at the selected bidder's discretion.