

PROJECT APPLICATION

Confidentiality

All information contained in the Application will be treated confidentially to the extent permitted by law (see "Certification" section IV of this Application). Under the New York State Freedom of Information Law, information must be disclosed unless such information contains trade secrets (which, if disclosed, would cause irreparable harm). Please indicate which information provided in this Application constitutes trade secrets with an explanation as to why in a letter accompanying this Application. The letter should be addressed to the New York City Industrial Development Agency.

Are you applying for the: IDA Bond Program
 Straight Lease Program

By what date do you wish to close the proposed transaction? _____

I. APPLICANT INFORMATION

Applicant's Name:

The Hearst Corporation

Address:

959 Eighth Avenue, New York, NY 10019

Phone Number:

██████████

Fax Number:

██████████

IRS Employer ID Number:

██████████

S.I.C. Code:

██

NY State Dept. of Labor Number (if applicable):

Officer of Applicant completing this application (contact person):

Name: Brian Schwagerl Title: Senior Manager of Facilities
Phone #: 212-649-4388 Fax #: 212-247-2045
E-mail Address: bschwagerl@hearst.com

Applicant's operation: Manufacturing Service Wholesale Other _____

Brief description of business: The Hearst Corporation is one of the nation's largest diversified communications companies. Its major interests include magazine, newspaper and business publishing and cable networks, television and radio broadcasting, internet businesses and newspaper features distribution.

To describe what kind of entity Applicant is, please check one of the following:

Public Corp. Private Corp. General Partnership C Corp. S Corp.
 Limited Liability Company Other _____

Applicant's State of incorporation or registration: Delaware

States in which Applicant is qualified to do business: Nationally and Internationally

Applicant's Attorney's Name: Michael Bailkin Phone # (212) 751-8600 Fax # (212) 980-9578

Firm and Address: Stadtmauer Bailkin LLP 850 Third Avenue, New York, N.Y. 10022

Applicant's Accountant's Name: Rudolph J. Santoro Phone # 212-436-3078 Fax # 212-436-2424

Firm and Address: Deloitte & Touche, Two World Financial Center, NYC, NY 10281-1414

In addition, please provide a chart or list detailing any subsidiaries to be included in the project, ownership interest that the parent company maintains in the subsidiary (ies), and the number of employees.
See Attachment #1

II. PROJECT INFORMATION

1. Please briefly describe the proposed project; if acquiring machinery and equipment, please list type:

The proposed project includes Hearst's commitment to renovate and construct an approximately 850,000 sf building at 959 Eighth Avenue and to maintain its headquarters facilities in New York City and includes the purchase of upgraded technology and other equipment during the project term.

2. Please give best estimates for all anticipated costs and proposed sources of financing involved in the project. (Note that the project includes all costs associated with fit-out and ongoing capital expenditures.)

Uses of Funds

Sources of Funds

Land & Building (Acquisition)		Bonds	
New Construction	<u>206,422,000</u>	Loans (Identify sources)	
Renovations		Company Funds	<u>779,600,000</u>
Building Improvements (Initial)	<u>122,000,000</u>	Officer Equity/Loans	
Renovations/Bldg. Investments (Ongoing) *		Other Sources	
Machinery/Equipment (Initial) *	<u>25,008,000</u>	<i>(Please identify)</i>	
Machinery/Equipment (Ongoing) *	<u>332,300,000*</u>		
Fees/Other Soft Costs	<u>39,545,000</u>		
Other (explain)	<u>54,325,000**</u>		

*Over 20 Years

**Subway improvements, Capitalized interest, Contingency

Total Project Cost	<u>779,600,000</u>	Total Project Sources	<u>779,600,000</u>
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*Please note whether figures are nominal or NPV (@7.75%).

3. Please provide the following information relating to the proposed project site(s):

Street Address & Borough	Block, Lot & Section Number	Square Footage of Land	Square Footage of Building	Number of Floors Including Basement	Currently Owned or Leased	sf to be Occupied	Floor Numbers to be Occupied
See Attachment #2							

4. Please provide the following information regarding all present and proposed tenant(s) and sub-tenant(s) at the proposed project site, their percentage of occupancy, and affiliation with the Applicant:

Name Contact & Phone	Affiliation with Applicant	Square Feet & Floors (Percentage of Occupancy)	Lease Expiration	Tenant Business
See Attachment #3				

5. Provide street address and borough or town for premises which you currently own or lease, even if you do not occupy same. Do you plan to terminate/sell/vacate/remain at such premises? With respect to currently occupied premises, please provide details of energy usage (copies of actual bills for prior twelve-month period) as an attachment to this application.

Property Location	Space Usage (sf)	Own/Lease	Landlord	Lease Expiration	Planned Disposition
See Attachment #4					

6. Is there a relationship, by virtue of common control or through related persons, directly or indirectly, between the Applicant and the present owner of the project site?

YES NO Common controlled ownership.

(If YES, please provide all details on attached sheet.)

7. Will a real estate holding company, limited liability company, or partnership be formed to own the project or premises?

YES NO

(If YES, please provide the name and address of entity, the type of entity, (e.g. corporation, partnership, etc.), and list its officers, partners, shareholders, members, and their respective percentage ownership.)

III. EMPLOYMENT AND TAX INFORMATION

1. Provide the employment information listed below:

Total # Full-Time Employees in NYC *		Total # Part-Time Employees in NYC		Employee Average Wages and Salaries	
<u>NYC Resident</u>	<u>Non-Resident</u>	<u>NYC Resident</u>	<u>Non-Resident</u>	<u>NYC Resident</u>	<u>Non-Resident</u>
1,188	612			\$90,881	\$146,843

* Includes (FTE) part-time employees.

2. Provide best estimate of expected employment growth over the next 15 years (minimum) on term of project:

Year														
<u>2001</u> <u>1999</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1800	1854	1909	1966	2024	2084	2146	2210	2276	2344	2414	2486	2560	2636	2715

3. Provide State and local taxes paid, including:

Business Income Tax	Real Property Tax	Sales & Use Tax
See Attachment #5		

4. Provide annual reports or audited financial statements for the last three years:

N/A--See Attachment E

IV. DUE DILIGENCE

1. List name(s), address(es), phone and fax numbers of any other entity in which, directly or indirectly, Applicant or any of its shareholders (if privately held, owners of more than 5%; if publicly held, more than 10% (the "Shareholders")), ~~partners, directors, or officers individually or collectively~~ hold 5% or more of the stock or ownership interest (an "Affiliate"). Please include real estate holding companies if applicable.

Entity Name	Address	Phone/Fax	Percentage Interest
See Attachment #6	All entities should be contacted at 959 Eighth Avenue, NYC		
	212-649-2220--telephone 212-307-7816--fax		

2. Has Applicant or any of its Affiliates ever received, or is it currently receiving, financial assistance or any other kind of discretionary benefit from any governmental entity or agency, including the New York City Industrial Development Agency?

YES NO

(If YES, please provide all details on attached sheet.)

3. Has the Applicant, or any existing or proposed tenant of the proposed project facility, or any person related to any of the foregoing, received or benefited from within the past six months, or contemplating to receive or benefit from within the next six months, tax-exempt financing anywhere within the United States?

YES NO

(If YES, please provide all details on attached sheet.)

4. Has Applicant, or any Shareholder, partner, officer or director, ~~or any entity with which any of the foregoing individuals have been associated~~, ever been adjudicated bankrupt or placed in receivership, or otherwise been the subject of a bankruptcy or similar proceedings (prior or current)?

YES NO

To the best of our knowledge

(If YES, please provide all details on attached sheet.)

5. Have any of Applicant's stockholders, partners, officers or directors ever been convicted in any criminal proceedings?

YES NO

To the best of our knowledge

(If YES, please provide all details on attached sheet.)

6. Is Applicant, or any stockholder, partner, officer or director of Applicant, a plaintiff or defendant in any civil or criminal proceedings?

YES

NO

See Attachment #7 for pending litigation in New York State.

(If YES, please provide all details on attached sheet.)

7. Does Applicant have any contingent liabilities? (e.g., pending claims; federal, State or local tax liabilities; judgment liens; other liens, etc.)

YES

NO

The Applicant has no contingent liabilities that would materially affect its financial condition or ability to proceed with the project.

(If YES, please provide all details on attached sheet.)

8. Has Applicant filed all required tax returns with appropriate governmental jurisdictions or entities?

YES

NO

(If NO, please provide all details on attached sheet.)

9. Company Principals (please attach a brief resume for each principal): See Attachment #8

Name	Title	Home Address	Social Security Number	Date of Birth
Frank A. Bennack, Jr.	President & Chief Executive Officer	200 Patterson #408 San Antonio, TX 78209	455-42-0136	2/12/33
Victor F. Ganzi	Executive Vice President & Chief Operating Officer	303 Captain's Way West Bay Shore, NY 11706	071-38-5359	2/14/47
Ronald Doerfler	Senior Vice President/CFO	151 Central Park West New York, NY 10023	151-32-5193	7/15/41
James Asher	Senior Vice President	639 Head of Pond Road Water Mill, NY 11976	011-38-0757	8/18/49

10. Major Customers:

Company Name	Address	Phone/Fax Number	Contact Person	Percent of Sales
See Attachment #9				

11. Major Suppliers:

Company Name	Address	Phone/Fax Number	Contact Person
See Attachment #9			

12. Unions:

Union	Address	Phone/Fax Number	Contract Expiration
See Attachment #10	for unions in NYC		

13. Banks:

Bank Name	Contact Person	Phone/Fax Number	Type of Account
Chase Manhattan	Shari Stern	212-270-2022/212-270-4164	Various

IV. CERTIFICATION

The Hearst Corporation

I, the undersigned, request on behalf of _____ ("Applicant") that this Application, including financial data and any tax returns submitted herewith, be submitted for review by the Board of Directors of the New York City Industrial Development Agency ("IDA"). I hereby certify that the information contained herein and in the attachments hereto, are, to the best of my knowledge and belief, accurate, true and correct. I understand that any intentional misstatements or misleading information contained herein, or the omission of relevant information, could be cause for rescission of IDA approval and IDA benefits. Further, I fully understand and accept the fees associated with the IDA program, including but not limited to the IDA Closing Fee; I fully understand and accept the benefit package I am to receive under the IDA program; and I acknowledge receipt from the IDA of a memorandum explaining legal, insurance, and various real estate related requirements, all of which will be necessary for the contemplated project.

On behalf of Applicant, I hereby acknowledge and agree that Applicant shall be, and is responsible for, and shall promptly pay all costs incurred by the IDA, in connection with document negotiations, closing and, where applicable, bond issuance and sale, whether or not closing occurs and whether or not bond issuance and sale occur in applicable instances. The aforesaid costs, and Applicant's obligation hereunder to pay for same, shall include, but not be limited to, attorney's fees. Applicant's obligations hereunder are absolute and shall in no event be contingent upon closing.

On behalf of myself, all other principals of Applicant, and Applicant, I hereby authorize the IDA and the New York City Department of Investigation (DOI) to initiate their background clearance procedure with respect to myself, all other principals of Applicant, and Applicant. I, all other principals of Applicant, and Applicant agree to give the DOI permission to secure all necessary personal data from all relevant sources, public and private, and I, all other principals of Applicant, and Applicant further agree to cooperate in all phases of the DOI background and clearance procedure. I, all other principals of Applicant, and the Applicant agree to hold the IDA and the City of New York harmless with respect to any claims for injury, damage, loss or expense which may arise should the above mentioned background clearance procedure not be completed satisfactorily.

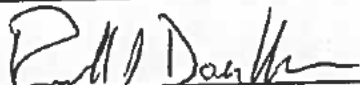
On behalf of Applicant and its existing and future affiliates, I authorize any private or governmental entity, including but not limited to The New York State Department of Labor ("DOL"), to release to the IDA and/or to the New York City Economic Development Corporation ("EDC"), and/or to the successors and assigns of either (collectively, the "Information Recipients"), any and all employment information under its control and pertinent to Applicant and its existing and future affiliates and the employees of same. In addition, upon the IDA's request, Applicant shall provide to the IDA any employment information in Applicant's possession or in the possession of any of Applicant's existing and future affiliates, which is pertinent to Applicant and Applicant's existing and future affiliates and the employees of same. Information released or provided to Information Recipients by the DOL, or by any other governmental entity, or by any private entity, or by Applicant itself (collectively, "Employment Information"), may be disclosed by the Information Recipients in connection with the administration of the programs of the IDA, and/or EDC, and/or the successors and assigns of either, and/or the City of New York, and/or as may be necessary to comply with law; and, without limiting the foregoing, the Employment Information may be included in (x) reports prepared by the Information Recipients pursuant to New York City Local Law 69 of 1993, (y) other reports required of the IDA, and (z) any other reports required by law. If the IDA approves this Application and the IDA Board of Directors approves the financing project which is the subject of this Application, this authorization shall remain in effect through the term of the financial assistance documents which the Applicant and the IDA will enter into at closing. If the IDA does not approve this Application, and/or the IDA Board of Directors does not approve the project which is the subject of this Application, this authorization shall remain in effect until the earlier of the aforesaid decisions not to approve.

I, all other principals of Applicant, and Applicant, understand that the IDA may be requested to disclose the information contained in this Application and the attachments hereto, under applicable disclosure laws, or at the request of investigative law enforcement or other governmental bodies. On behalf of myself, all other principals of Applicant, and Applicant, I authorize the IDA to disclose any such information, under such law or where so requested, and I, all other principals of Applicant and the Applicant release the IDA from any liability to the Applicant, all other principals, and/or myself for such disclosure. I also authorize the IDA at its discretion to transmit this Application, including any financial data or tax returns submitted herewith, to the IDA's financial advisors.

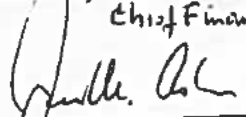
On behalf of Applicant, I acknowledge and agree that the IDA reserves the right to require Applicant to submit at Applicant's sole expense, such other documentation as the IDA may require in addition to the documentation required hereunder, and that all such documentation, whether requested hereunder or hereafter, shall be provided at Applicant's sole cost and expense, and shall be in form and substance satisfactory to the IDA.

Approval of this Application may only be granted by the IDA's Board of Directors through the Board's adoption of an inducement or authorizing resolution for the project described in this Application. Additionally, it is understood and agreed that the first installment of the \$15,000 Application Fee (\$7,500) accompanying this Application is non-refundable, regardless of whether or not this Application is so approved. Once the Applicant has been induced by the IDA Board of Directors, an inducement resolution will be issued for signature by the Applicant. The Applicant agrees to remit the remaining \$7,500 balance of the Application Fee at such time as the inducement resolution is signed and returned to the IDA. Applicant acknowledges and accepts that the \$15,000 Application Fee will accrue toward payment of the IDA Closing Fee should closing occur; and if and when the IDA's Board of Directors approves this Application, the Agency may additionally require Applicant to pay at such time an amount equal to 1/10 of a percent of the bond/project amount (as applicable), which payment shall also accrue toward payment of the IDA Closing Fee should closing occur.

Date: MAY 15, 2001

Certified By: 
Signature of Chief Executive Officer
Chief Financial Officer

RONALD J. DOERFLER
Printed Name

Attested By: 
Chief Financial Officer/Secretary
CR. VP

JAMES M. ASHER
Printed Name