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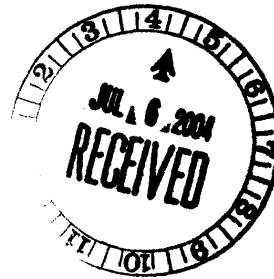
ROBERT RANDALL GREEN
LAURA L. PHELPS
GOVERNMENT RELATIONS

July 6, 2004

ENTERED
Office of Proceedings

JUL 06 2004

Part of
Public Record



Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Docket No. AB 167 (Sub-No. 1094)A; *Chelsea Property Owners –
Abandonment – Portion of the Consolidated Rail Corporation's
West 30th Street Secondary Track in New York, NY*

Dear Sir:

On June 25, 2004, the STB issued an order approving an extension of the abeyance request in this proceeding through and including July 5, 2004. The City of New York ("the City") is hereby requesting continuation of that abeyance period through and including September 30, 2004.

The City continues to move aggressively toward the realization of the creative reuse of the High Line, to transform this now unused rail viaduct into a unique open space that will serve residents, workers, and visitors in the growing communities of the Gansevoort Market area and West Chelsea, as well as the planned mixed-used district in the Hudson Yards. This plan also will preserve the rights and obligations required to permit the future restoration of rail service, in accordance with railbanking requirements.

Among many unique aspects of this effort, perhaps none is more unique than the breadth and depth of support among elected officials, community groups, and others. The full panoply of elected officials representing the area has declared its support for the project, including Senators Charles Schumer and Hillary Clinton, Congressman Jerrold Nadler, Mayor Michael Bloomberg, City Council Speaker Gifford Miller, and a variety of other state and local officials.

This document provides a brief update on the status of the City's efforts to create a public amenity in a way that is fully consistent with objectives of the federal rails-to-trails program.

Legal

In recent months, the City has made dramatic progress toward reaching a series of agreements between and among various parties that will enable all interested parties to move forward. The parties include the City, the Railroads (Consolidated Rail Corporation, CSX Transportation, Inc. and New York Central Lines LLC), the underlying property owners (including the City and various State entities), the Empire State Development Corp., and the Friends of the High Line ("FHL"). Lawyers for the various parties presently are at work on over 25 documents, including a term sheet that outlines the various agreements and the approach to the substantive issues in each of them, a Trail Use Agreement, Quitclaim Deeds, access agreements, releases, and indemnification agreements. While resolution of outstanding issues is expected by September 2004, it is possible that resolution will not be achieved until November 2004.

Financial

Although the City faces a budget situation in which resources are quite scarce, the importance of providing open space to an area that has little today has resulted in a remarkable amount of funding committed to the project. Specifically, Speaker Miller and the City Council have committed \$15.75 million in capital funds to the project, with an additional equivalent amount expected to be committed by Mayor Bloomberg in the near future. In addition, Congressman Nadler has included \$5 million in funding in the current House version of federal transportation legislation (TEA-LU). Finally, federal funding is available from the Transportation and Community and System Preservation Pilot Program (TEA-21 Section 1221) to complete the design process described below.

Planning/design

The reuse of the High Line requires both a design for the structure itself, as well as a rezoning for the surrounding neighborhood.

Working in close cooperation with the FHL, the City is nearing the completion of a rigorous competition to select a team to develop a master plan for the High Line. On March 1, 2004, the City and FHL jointly issued a Request for Qualifications, eliciting 52 responses from around the world. A short list of seven teams was announced on April 20, and these short-listed teams received a two-stage Request for Proposals (RFP). On May 27, a Steering Committee of City and FHL representatives selected the four finalist teams based on their responses to the first stage of the RFP. The four finalist teams include renowned, world-class designers, architects, landscape architects, engineers, planners, and other professionals.

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The four finalist teams will submit responses to the second stage of the RFP in early July. Those responses will include visions for the High Line as a whole, and they will specifically address access systems, the High Line's interaction with neighboring buildings, and treatment of the structure's underside and its relation to the street. This work will be the focus of the July 15 – August 14 exhibition at the Center for Architecture. It will also inform the final team selection, which will be made later this summer.

At the same time, the Department of City Planning is moving forward with plans to rezone portions of the West Chelsea neighborhood, including property underlying and surrounding the High Line. The rezoning of West Chelsea is intended to encourage residential and commercial development, including the expected construction of more than 4,000 housing units, while preserving the area's unique character and thriving arts-related district. The rezoning would also facilitate the redevelopment of the High Line as public open space by encouraging the development of buildings that relate to and utilize the High Line, by requiring certain developers to provide access to the High Line, and by allowing for the transfer of development rights away from the High Line corridor. The Department expects to certify the rezoning on August 23rd, thereby beginning a seven-month approval process consistent with the City's Uniform Land Use Review Procedure (ULURP). The final approval by the City Council is expected in late March of 2005. This approval would also authorize the City to take possession of the High Line easement, commensurate with rulings by the STB.

Request for Continued Abeyance

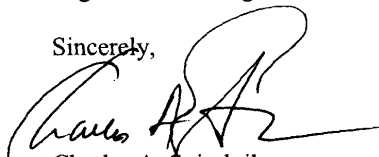
The City is hereby requesting continuation of the abeyance period through and including September 30, 2004. The City shares the STB's interest in bringing this matter to conclusion, but requests this additional time to permit the complex legal issues and agreements identified above to be resolved. The City and all other interested parties have worked at an escalated pace and with an increased level of intensity to bring these agreements to closure and seek the additional time to complete that process in an orderly way.

Counsel for FHL and for the Railroads have authorized undersigned counsel to state that those parties do not object to continuing to hold this matter in abeyance.

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I am enclosing 10 copies of this letter for filing, along with one further copy that I will appreciate your date-stamping and returning to our messenger.

Sincerely,



Charles A. Spitulnik

cc: All Parties of Record

ND: 4843-9678-4640, Ver 1