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Press Release

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IMMEDIATE

MTA and NYCEDC Announce Selection of Developer for Large Site on East Gun Hill Road in the Bronx

Experienced Developer Plans 260,000-Square Foot Retail Complex

The Metropolitan Transportation Authority (MTA) and New York City Economic Development Corporation (NYCEDC) today announced that the MTA intends to surrender an approximately 550,000-square foot site at the intersection of East Gun Hill Road and the New England Thruway in the Bronx to Gun Hill Square, LLC, a joint venture between Grid Properties, Inc., and Gotham Organization, Inc., to build a pedestrian-oriented retail destination with 260,000 square feet of leasable space, and, if public financing is available, up to 100 units of senior housing. The purchase price of \$30.5 million will go toward the MTA's 2010-2014 Capital Program.

The site is currently owned by the City of New York and controlled by the MTA under a master lease agreement. Developers were invited to submit proposals through an open, competitive bidding process that began in March 2012 when NYCEDC and the MTA released a formal Request for Proposals (RFP), which ultimately attracted ten competing proposals.

"The MTA Board's approval of this transaction represents the continuing success of our initiative to maximize the value we receive from MTA-controlled real estate," said MTA Chairman and CEO Thomas F. Prendergast. "This RFP process generated robust competition, and the public benefitted from that competition. Ten qualified and competent real estate teams submitted proposals, and EDC and the MTA were able to select the team that offered the greatest financial return. The neighborhood will benefit, as well, from new retail and the potential for senior housing. I commend everyone in the MTA Real Estate Department and at NYCEDC who has worked so hard to reach this point."

"The selection of Gun Hill Square, LLC represents the first step in reactivating this underutilized space, which will soon be transformed into a destination providing retail and community amenities for local residents and visitors," said NYCEDC President Kyle Kimball. "This project will further develop the Bronx into a hub for economic activity, ensuring that it remains a thriving community for years to come."

The retail development is anticipated to create approximately 328 direct construction jobs and approximately 547 permanent jobs. In addition, Gun Hill Square, LLC, has committed to work with NYCEDC, the community, and local stakeholders in the Bronx to announce available positions, develop and implement targeted hiring plans, and execute HireNYC and M/WBE program goals and initiatives.

This property is one of four that are currently under contract to be surrendered by the MTA through the agency's effort, announced in September 2011, to vacate up to nine City-owned properties in exchange for critically-needed capital funding and redevelopment of sites that are no longer needed by the MTA. The others are the former New York City Transit headquarters at 370 Jay Street in Downtown Brooklyn, a parking lot for New York City Transit emergency vehicles at 19 E. Houston Street in Manhattan, and a deactivated electrical substation on E. 211th Street in the Bronx.

Grid Properties and Gotham Organization have a strong track record of accomplishing transformative large-scale urban redevelopments. The companies and their affiliates own and operate large-scale urban retail projects including HARLEM USA, a 285,000 square foot, six-level retail and entertainment complex on West 125th Street in Manhattan, and DC USA, an 890,000-square-foot, three-level complex that is the largest retail development in Washington, D.C.

"We are extremely excited about the prospect of creating an architecturally distinctive pedestrian oriented retail destination in the Bronx" said Drew Greenwald, founding principal of Grid Properties. "Currently Bronx residents have to leave the borough to experience the type of vibrant shopping and dining environment we envision at this site."

"Transforming this piece of vacant land into a property that is aesthetically pleasing for our community while creating jobs for local residents and bringing in much needed revenue for the MTA is something I support. Beyond this, I urge the developers to incorporate the housing component for seniors to make this project 'complete'," said Council Member Andy King, 12th District.

"This project is very good news for the community, in that it takes of piece of property that has long been an eyesore and puts it to a useful purpose. We look forward to the development of this project, especially if it becomes possible to incorporate senior housing in the future," said Father Richard Gorman, Chair, Community Board 12.

The developer will bear the expenses of installing security measures for the MTA that would separate the retail and housing complex from the adjacent Gun Hill Bus Depot, including fencing and a multi-camera fiber optic intrusion detection system. The proposed development is expected to go through the NYC Uniform Land Use Review Process.

The site was acquired by the City and MTA in the mid-1980s to allow for the expansion of MTA New York City Transit's adjacent Gun Hill Bus Depot. The expansion plan has since been withdrawn and the site has accommodated a variety of uses, most recently a golf driving range.