

Staff Summary

Subject ACQUISITION OF PERMANENT EASEMENTS FROM HD DEVELOPMENT OF MARYLAND, INC IN QUEENS IN SUPPORT OF THE PENN STATION ACCESS PROJECT
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name ANGELA SZU

Date JULY 19, 2023
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	07/17/23	X		
2	Board	07/19/23	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Legal		
2	Chief Administrative Officer		
3	Chief Financial Officer		

AGENCY: MTA Metro-North Railroad (“Metro-North”)
GRANTOR: HD Development of Maryland, Inc., c/o Home Depot U.S.A., Inc. (“Home Depot”)
LOCATION: 50-02 Northern Boulevard, Queens, NY 11101 (Queens Block 120 Lot 50) (the “Property”)
ACTIVITY: Acquisition of permanent easements in support of the Penn Station Access Project
ACTION REQUESTED: Authorization to acquire permanent easements
TERM: Permanent
EASEMENT AREA: 11,343± square feet (exclusive) and 9,444± square feet (non-exclusive access)
COMPENSATION: \$1,955,000

COMMENTS:

Penn Station Access (“PSA”) is a new Metro-North link to Penn Station that will provide one-seat passenger rail service to Penn Station for MNR’s New Haven Line customers. In October 2021, the MTA Board authorized MTA Real Estate to proceed with property interest acquisitions in support of PSA by negotiated agreement or condemnation, with the terms of any negotiated agreement subject to further MTA Board approval.

The above-described permanent exclusive and non-exclusive easements are required for the new 48th Street DC electrical substation in Queens, which is needed to support the additional power demands associated with additional train traffic on the railroad right-of-way due to PSA. The substation improvements will be constructed within the exclusive easement areas, and the access easement is needed to ensure perpetual access for maintenance and should the substation need to be reconstructed, re-built or rehabilitated in the future.

In July 2022, MTA Real Estate extended a formal offer of \$1,930,000 to the Property owner upon completion of an independent appraisal of the required easements. After a period of good faith negotiations, MTA Real Estate has reached a negotiated price of \$1,955,000 for both easements, which is \$25,000 higher (approximately 1% increase) than the MTA’s original offer. Based on the recommendation of legal counsel, the negotiated compensation is supported by MTA’s appraisal as well as the change in market conditions relative to its effective date of valuation of February 15, 2022.

Staff Summary

FINANCE COMMITTEE MEETING

Acquisition of permanent easements from HD Development of Maryland, INC in Queens in support of the Penn Station Access project (Cont'd.)

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Based on the foregoing, MTA Real Estate requests authorization to acquire the permanent easements from HD Development of Maryland, Inc. on the above-described terms and conditions.