

**MARCH 2024**  
**MTA REAL ESTATE**  
**FINANCE COMMITTEE AGENDA ITEMS**

**1. ADMINISTRATIVE ACTION ITEMS**

Metropolitan Transportation Authority

- a. All-Agency Real Property Disposition Guidelines and All-Agency Personal Property Disposition Guidelines required by Public Authorities Law Sections 2895-289

**2. TRANSACTIONAL ACTION ITEMS**

Metropolitan Transportation Authority

- a. Lease with 3030 Equities, LLC for an MTA Police Department training space at 30-30 Northern Boulevard, Queens NY

MTA Grand Central Madison

- b. Lease with Trackback LLC for a bar/café in Grand Central Madison, New York, NY

**2. INFORMATION ITEMS**

- a. Lease between NYCT and J.W. Mays, Inc. for office space in support of the relocation of the Jamaica Bus Terminal in Queens, NY
- b. Permanent easement between the LIRR and the Town of Islip for the operation of a signal hut near the railroad crossing at Carleton Avenue in Central Islip, NY
- c. Report on agreements entered into directly by the Real Estate Department pursuant to board policy

<b><u>Legal Name</u></b>	<b><u>Popular Name</u></b>	<b><u>Abbreviation</u></b>
<u>New York City Transit Authority</u>	<u>MTA New York City Transit</u>	<u>NYC Transit</u>
<u>The Long Island Rail Road Company</u>	<u>MTA Long Island Rail Road</u>	<u>LIRR</u>
<u>Metro-North Commuter Railroad Company</u>	<u>MTA Metro-North Railroad</u>	<u>MNR</u>
<u>Triborough Bridge and Tunnel Authority</u>	<u>MTA Bridges and Tunnels</u>	<u>MTA B&amp;T</u>
<u>MTA Construction and Development Company</u>	<u>MTA Construction and Development</u>	<u>MTA C&amp;D</u>
<u>MTA Bus Company</u>	<u>MTA Bus Company</u>	<u>MTA Bus</u>
<u>MTA Grand Central Madison Concourse Operating Company</u>	<u>Grand Central Madison</u>	<u>GCMC</u>

*Staten Island Rapid Transit Operating Authority is a subsidiary of the Metropolitan Transportation Authority. Its popular name is MTA Staten Island Railway (abbreviated as SIR).*

*Manhattan and Bronx Surface Transit Operating Authority is a subsidiary of the New York City Transit Authority (abbreviated as MaBSTOA).*

**METROPOLITAN  
TRANSPORTATION  
AUTHORITY**

# Staff Summary

Subject <b>PROPERTY DISPOSITION GUIDELINES</b>
Department <b>REAL ESTATE / CORPORATE COMPLIANCE</b>
Department Head Name <b>DAVID FLORIO</b>
Department Head Signature
Project Manager Name <b>NEIL MASTROPIETRO / LINDSAY BEEDIAHRAM/ JULIE VASADY-KOVACS</b>

Date <b>MARCH 27, 2024</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	03/25/24	X		
2	Board	03/27/24	X		

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

**Purpose:**

To obtain MTA Board approval of (i) revised and updated MTA Real Estate Department’s Real Property Disposition Guidelines (the “2024 Real Property Disposition Guidelines”) and (ii) updated MTA’s All-Agency Guidelines for the Disposal of Personal Property (the “2024 Personal Property Disposition Guidelines”), and the appointment of the MTA staff persons designated as the Personal Property Disposition Contracting Officers listed on Attachment C, each promulgated in accordance with Section 2895-2897 of the Public Authorities Law.

**Discussion:**

Section 2896 of the Public Authorities Law, enacted in 2005, requires that public authorities annually review and approve “comprehensive guidelines” adopted by resolution that detail its “operative policy and instructions” regarding disposals of real and personal property, and designate a contracting officer responsible for complying with and enforcing the guidelines. Each year the statute requires each public authority’s governing board to review and approve its guidelines by March 31<sup>st</sup> and to file a copy of the Guidelines with the State Comptroller. The proposed 2024 Real Property Disposition Guidelines prepared by the MTA Real Estate Department are annexed as Attachment A to this Staff Summary. The proposed 2024 Personal Property Disposition Guidelines, prepared by MTA Corporate Compliance in consultation with MTA Agency procurement departments, are annexed as Attachment B to this Staff Summary. A list of the MTA staff persons designated as the Personal Property Disposition Contracting Officers is annexed as Attachment C to this staff summary. The attachments are available for review by the MTA Board members in the Director’s Desk Exhibit Book and on MTA.INFO.

**Real Property Disposition Guidelines:**

In March 2023, the MTA Board approved the MTA Real Estate Department’s current real property disposition guidelines, which detailed MTA Real Estate’s policies and procedures for the disposal of real property.

The proposed 2024 Real Property Disposition Guidelines (see Attachment A) are substantially the same as those approved last year except for those minor changes as shown redlined in Attachment A, most of which have been made to reflect organizational updates and revisions to the administrative processes.

# Staff Summary

## FINANCE COMMITTEE MEETING PROPERTY DISPOSITION GUIDELINES (Cont'd.)

### **Personal Property Disposition Guidelines:**

In March 2023, the MTA Board approved the current All-Agency Guidelines for the Disposal of Personal Property to provide a consistent set of personal property disposal policies and practice, across the MTA agencies.

The proposed 2024 Personal Property Disposition Guidelines (see Attachment B) have a non-substantive title change; therefore, are substantially the same as the 2023 guidelines.

### **Recommendation:**

It is recommended that the Board adopt the resolution attached to this Staff Summary approving the 2024 Real Property Guidelines and the 2024 Personal Property Guidelines and designating the MTA and MTA agency staff members listed on Attachment C of the Real Property Disposition Guidelines as the Contracting Officers for the MTA and MTA Agencies as the officers responsible for disposition of real property.

# Staff Summary

<b>Subject</b> <b>LEASE WITH 3030 EQUITIES, LLC FOR AN MTA POLICE DEPARTMENT ACADEMY TRAINING SPACE AT 30-30 NORTHERN BOULEVARD, QUEENS, NY</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>ANDREW D GREENBERG</b>

<b>Date</b> <b>MARCH 27, 2024</b>
<b>Vendor Name</b>
<b>Contract Number</b>
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2	Chief Financial Officer		

**AGENCY:** Metropolitan Transportation Authority (“MTA”)

**LESSOR:** 3030 Equities, LLC

**LOCATION:** 30-30 Northern Boulevard, Queens, New York

**PREMISES:** Entire Sixth (6<sup>th</sup>) Floor – 27,413 Rentable Sq. Ft.  
Entire Seventh (7<sup>h</sup>) Floor – 25,968 Rentable Sq. Ft.  
 Total: 53,381 Rentable Sq. Ft.

**USE:** MTA Police Department (“MTAPD”) academy and training facility for new recruits and service training with reality based situational training.

**ACTION REQUESTED:** Authorization to enter into a lease in support of MTAPD operations.

**TERM:** Fifteen (15) years

**REAL ESTATE TAXES:** MTA pays its proportionate share over a 2023/2024 base year with no increases until the first anniversary following Rent Commencement. Lessor will create a condominium within 1 year following Rent Commencement, and upon the creation of a separate tax lot for the Premises, (i) the MTA will become responsible for 100% of all real estate taxes on its tax lot, and (ii) the MTA’s base rent will be reduced by the amount of real estate taxes initially assessed to the MTA’s exclusive tax lot estimated at approximately \$6.54 per square foot per year. The MTA will reimburse the Lessor for up to a maximum of \$175,000 towards Lessor’s cost to create the condominium based on invoices supported by reasonable back-up documentation.

**OPERATING EXPENSES:** 2.5% increases in base rent per year.

**UTILITIES:** Electricity is directly metered to the public utility. Lessor provides heat and air conditioning, and the MTA pays for its proportionate share of heating costs annually.

**LESSOR WORK:** Lessor will be required to provide turn-key alterations and improvements at Lessor’s cost and expense. The MTA will be required to reimburse Lessor for the cost of furniture and IT, data and telecom installation with a maximum cost not to exceed \$1,648,839 (“Lessor’s Tenant Improvement Contribution”).

# Staff Summary

## FINANCE COMMITTEE MEETING

### LEASE WITH 3030 EQUITIES, LLC FOR AN MTA POLICE DEPARTMENT ACADEMY TRAINING SPACE

#### 30-30 NORTHERN BOULEVARD, QUEENS, NY (Cont'd)

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**RENT COMMENCEMENT:** Four (4) months following possession, which is upon Lessor substantial completion of all Lessor Work.

**BASE RENT:**

	Rent/RSF	Annual Rent
Rent Commencement – Year 5	\$36.25	\$1,935,061.25
Year 6 – Year 10	\$38.25	\$2,041,823.25
Year 11 – Lease Expiration	\$40.25	\$2,148,585.25

**RENEWAL OPTIONS:** Two five (5) year renewal options upon 12 months prior written notice at a rent calculated at 95% of the fair market value

**TERMINATION OPTION:** The MTA has an option to terminate the lease on the 10<sup>th</sup> anniversary of the Rent Commencement Date with 12 months prior written notice and a penalty equal to the unamortized balance of the Lessor's Tenant Improvement Contribution to the initial improvements and alterations, and real estate commission.

**MAINTENANCE AND REPAIRS:** Lessor is responsible for all exterior and structural repairs except if caused by the MTA negligence.

**CLEANING:** Lessor shall provide daily cleaning at an additional charge of \$2.50/sf per annum. The MTA may choose to provide their own cleaning.

**PARKING:** Lessor will provide 20 complimentary automobile parking spaces.

**SECURITY DEPOSIT:** None.

#### COMMENTS:

The MTAPD is seeking approximately 56,000 square feet to create a centralized facility which will serve as a police academy to provide in-service training with reality-based simulators, classrooms, practical training, and exercises for new recruits, including supervisors and commanding officers.

CBRE, the MTA's real estate broker, identified 5 locations for this requirement, all of which the MTAPD toured. MTAPD selected 95-25 Queens Boulevard, Rego Park, Queens and 30-30 Northern Blvd, Long Island City, Queens as the only locations that could potentially satisfy their requirements. CBRE engaged CSA Architects to commence preparation of layout drawings and a detailed scope of work for each short-list location in conjunction with MTA Real Estate's Project Management team and stakeholders from MTAPD to address IT, data, and telecommunications requirements. The two selected sites were instructed to provide a Not to Exceed ("NTE") cost for the alterations and improvements. CBRE prepared a comparative financial analysis and determined that the MTAPD's preferred choice at 30-30 Northern Blvd. requires a smaller footprint and is a significantly lower cost than the Rego Park location in the aggregate and on a net present value basis. In addition, the Lessor for the 30-30 Northern Boulevard location will be providing a complete "turnkey" installation at its cost and expense and the MTAPD is only responsible to reimburse the costs for IT, data, telecommunications, furniture, fixtures, and equipment. CBRE also provided a comparative market summary which compares this transaction against nine (9) other recent (or concluding) market transactions and shows that the economics of this transaction compares favorably in the marketplace (see attached).

Based on the foregoing, MTA Real Estate requests authorization for the MTA to enter into a lease with 3030 Equities, LLC for use of the leased premises by the MTAPD under the above-described terms and conditions.

**MTA GRAND CENTRAL  
MADISON**



# Staff Summary

Subject <b>LEASE WITH TRACKBACK LLC FOR GRAND CENTRAL MADISON RETAIL SPACE</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>DAVID FLORIO</b>
Department Head Signature
Project Manager Name <b>KIM TREVISAN</b>

Date <b>MARCH 27, 2024</b>
Vendor Name
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AGENCY: MTA Grand Central Madison Concourse Operating Company ("GCMC")

LESSEE: Trackback LLC (d/b/a Tracks Raw Bar & Grill)

LOCATION: Grand Central Madison Concourse

PREMISES: Prep Area: Approximately 850 sq. ft.  
 Dining and Bar Area: Approximately 1,852 sq. ft.  
 Total Area: Approximately 2702 sq. ft.

USE: Operation of a full-service bar and café

ACTION REQUESTED: Authorization to enter into a lease agreement

TERM: 10 years

COMMON AREA MAINTENANCE: \$89,166.00 with 3% annual escalations

BASE RENT:

<u>Year</u>	<u>Guaranteed Annual Minimum Rent</u>	<u>Percentage Rent</u>
1	\$216,000.00	12% of gross sales over breakpoint of \$2,500,000
2	\$222,480.00	12% of gross sales over breakpoint of \$2,618,293
3	\$229,154.40	12% of gross sales over breakpoint of \$2,696,843
4	\$236,029.03	12% of gross sales over breakpoint of \$2,777,748
5	\$243,109.90	12% of gross sales over breakpoint of \$2,861,086
6	\$250,403.20	12% of gross sales over breakpoint of \$2,946,913
7	\$257,915.30	12% of gross sales over breakpoint of \$3,035,320
8	\$265,652.75	12% of gross sales over breakpoint of \$3,126,380
9	\$273,622.34	12% of gross sales over breakpoint of \$3,220,171
10	\$281,831.01	12% of gross sales over breakpoint of \$3,316,776

# Staff Summary

## FINANCE COMMITTEE MEETING

### LEASE WITH TRACKBACK LLC FOR GRAND CENTRAL MADISON RETAIL SPACE (Cont'd.)

#### COMMENTS:

A request for proposals (“RFP”) was issued in July 2023 seeking offers for the operation of a high-quality, full-service bar and café (“bar/café”) located between 46th and 47th streets on the Grand Central Madison Concourse. The bar/café is centrally located in Grand Central Madison, proximate to the LIRR ticketing, customer service, and waiting room areas and adjacent to the iconic art installation by artist Yayoi Kusama. The bar/café activation will establish a new and dynamic and gathering spot that contributes to the aesthetics of Grand Central Madison, helps to define the overall sense of place, and enlivens the customer experience.

In response to the RFP, a single proposal was received from Tracks Raw Bar & Grill.

After initial review and consideration, the Tracks Raw Bar & Grill proposal was deemed complete and responsive and was additionally evaluated by MTA Real Estate’s third-party real estate service providers CBRE and JLL against the selection criteria listed in the RFP. The net present value of the rent proposed is \$2,084,951 (calculated at 6%) which is in line with the appraised value of the Premises, as estimated by an independent appraiser.

The owner/operator of Tracks Raw Bar & Grill, Bruce Caulfield, has a long-standing relationship with the MTA and LIRR customers, having been a tenant in good standing on the LIRR Concourse in Penn Station for 17 years and only ceasing operations due to the Penn Station concourse improvements. Tracks Raw Bar & Grill boasts a recognizable presence among LIRR commuters, arriving at Grand Central Madison with a known brand, dedicated clientele, and a history of successful operation within transit settings.

The proposed lessee is committed to undertaking the required improvements for design and build-out of the space, investing approximately \$1,000,000.

Separate from this offering, an RFP will be issued April 2, 2024, soliciting a master lessee who will be tasked with delivering a high-quality, curated retail offering throughout all of Grand Central Madison. As a condition of that master lease, the Tracks Raw Bar & Grill agreement will be assigned to the future master lessee.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease, on behalf of GCMC, with Tracks Raw Bar & Grill under the above-described terms and conditions.