

JUNE 2024

MTA REAL ESTATE

FINANCE COMMITTEE AGENDA ITEMS

1. TRANSACTIONAL ACTION ITEMS

MTA Metro-North Railroad

- a. Lease with Airport Mart, Inc. for retail space in the Hartsdale Station Building in Hartsdale, NY

MTA Long Island Rail Road

- b. License with North Ferry Company for the operation of a ferry terminal in Greenport, NY

2. INFORMATION ITEMS

- a. Second amendment to the license with Access One Solutions Inc. for ATMs at Croton-Harmon, Tarrytown, and Yonkers Stations, Westchester County, NY.
- b. Short-term parking permit between MNR and the Dia Art Foundation for the use of parking spaces at Beacon Station, City of Beacon, NY.
- c. License between MNR and MLF Properties, Inc. for the reconstruction of a retaining wall in Port Chester, NY.
- d. Easement between the LIRR and 166 Archer Avenue Co. LLC in connection with the Jamaica Capacity Improvement Project, Phase II, in Jamaica, NY.
- e. Easement between the LIRR and the State of New York, Division of Military and Naval Affairs in connection with the Jamaica Capacity Improvement Project, Phase II, in Jamaica, NY.
- f. Temporary access agreement between NYCT and Bennet Property Owner LLC for access to property adjacent to 181st Street subway station in connection with the ADA Elevator Project in Manhattan.
- g. Construction access agreement between NYCT and DCAS for underpinning of a building at 209 Joralemon Street in Brooklyn in support of an ADA project at Borough Hall subway station.
- h. Addition of property located at 210 Joralemon Street in Brooklyn to the master lease in support of an ADA project at Borough Hall subway station.

- i. Lease amendment between NYCT and Jomat, LLC for an employee parking lot adjacent to PS 248 Transit Learning Center located in Brooklyn, NY.
- j. Report on agreements entered into directly by the Real Estate Department pursuant to board policy.

<u>Legal Name</u>	<u>Popular Name</u>	<u>Abbreviation</u>
<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&T</u>
<u>MTA Construction and Development Company</u>	<u>MTA Construction and Development</u>	<u>MTA C&D</u>
<u>MTA Bus Company</u>	<u>MTA Bus Company</u>	<u>MTA Bus</u>
<u>MTA Grand Central Madison 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).

**MTA METRO-NORTH
RAILROAD**

Staff Summary

Subject LEASE WITH E HARTSDALE FOOD MART, INC. FOR THE MNR HARTSDALE STATION AT 223 EAST HARTSDALE AVENUE, HARTSDALE, NY
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name JASON ORTIZ

Date JUNE 26, 2024
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North Committee	06/24/24		X	
2	Finance Committee	06/24/24	X		
3	Board	06/26/24	X		

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

AGENCY: MTA Metro-North Railroad (“MNR”)
LESSEE: E Hartsdale Food Mart, Inc., formed by Airport Mart, Inc. (“AMI”)
LOCATION: 223 East Hartsdale Avenue, Hartsdale, NY 10530
PREMISES: MNR Hartsdale station building ± 1,600 SF
USE: Operation of a food and beverage convenience store
ACTION REQUESTED: Authorization to enter into a lease agreement
COMPENSATION: \$321,907.97 NPV at six percent (6%) for the ten (10) year term, with five percent (5%) annual escalations.

Term	Annual Base Rent	PSF	Escalation
Year 1	\$35,596.00	\$22.25	--
Year 2	\$37,375.80	\$23.36	5%
Year 3	\$39,244.59	\$24.53	5%
Year 4	\$41,206.82	\$25.75	5%
Year 5	\$43,267.16	\$27.04	5%
Year 6	\$45,430.52	\$28.39	5%
Year 7	\$47,702.04	\$29.81	5%
Year 8	\$50,087.15	\$31.30	5%
Year 9	\$52,591.50	\$32.87	5%
Year 10	\$55,221.08	\$34.51	5%

Staff Summary

FINANCE COMMITTEE MEETING

LEASE AGREEMENT WITH AIRPORT MART, INC. FOR THE MNR HARTSDALE STATION AT 223 EAST HARTSDALE AVENUE, HARTSDALE, NY

COMMENTS:

MTA Real Estate issued a Request for Proposals (“RFP”) dated October 31, 2023, for the lease of the Premises. Three (3) proposals were received and are summarized below:

Proposer Name	Present Value at 6%
Airport Mart, Inc.	\$321,907.97
Hartsdale Gourmet Deli LLC	\$312,190.78
Coffee Labs Roasters, Inc.	\$249,564.11

The highest proposal and most compelling overall was submitted by AMI, who proposed a starting annual base rent of \$35,596 (\$22.25 psf) with five percent (5%) annual increases on a ten (10) year term. AMI plans to invest approximately \$300,000 in improvements to the Premises for its use. In AMI’s RFP submission, it demonstrated superior experience, financial capacity, and management through the following:

Financial Strength – AMI has the creditworthiness and financial strength to fully self-fund the improvements required from personal cash, as well as cash flow from existing operations. Credit and background investigations performed on Airport Mart, Inc. discovered no evidence of criminal conviction history, or other reputation issues. Airport Mart, Inc. has very good credit and sufficient financial resources to successfully complete the required improvements and compensation obligations.

Business Plan – AMI is proposing to deliver a broad selection of healthy food, daily-prepared, high-quality grab-and-go items, freshly brewed coffees, and a 24-7 operation led by highly trained personnel in a clean and welcoming environment. AMI’s logistics are managed from Purchase, NY, with its own commissary kitchen supporting its local food service outlets.

Management Expertise – AMI has been operational since 2006, running concession stores at the Westchester County Airport which remain open to present day. In addition, the ownership team has experience in the development, operation, and management of quick-service restaurants, convenience stores, and gas stations in a wide geographic area in a variety of high-traffic and transit environments including airports and highway service plazas. These franchises include some of the most popular chains in America including Shell, Mobil, BP, Dunkin’ Donuts, Circle K and On the Run. Their experience in the food and beverage industry also included franchises of Blimpie, Vie de France, and TCBY.

Improvements – AMI proposes a complete renovation of the facility, in compliance with all the design guidelines. The interior design, fit out and carpentry will be customized for the historical nature of the Hartsdale Station Building, in a format that is warm, rustic, yet accessible and affordable. They have budgeted \$344,500 for the alterations and improvements.

Furthermore, as part of the lease agreement, AMI will be responsible for all maintenance of the Premises, with the exception of the structural elements of the station building. In addition, AMI will maintain the restrooms and the station seating area open to the public for the use and benefit of MNR customers during business hours.

MTA Real Estate solicited an appraisal from Goodman Marks for the market rental value of the Station Building on November 8, 2022, and the appraised rental value was \$44,800.00 per annum. While AMI’s rental offer was below this appraisal value, it had the highest bid and the best overall proposal including concept, experience, and financial capability.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease with E Hartsdale Food Mart, Inc. on behalf of MNR for the operation of a fast, fresh & healthy food & beverage concession and convenience store at the Hartsdale MNR Station Building.

MTA LONG ISLAND RAIL ROAD

Staff Summary

Subject LICENSE WITH NORTH FERRY CO., INC. FOR THE OPERATION OF A FERRY TERMINAL AT GREENPORT, NY
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name ROBERT GOLDBERG

Date JUNE 26, 2024
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
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1	Legal		
3	Chief Administrative Officer		
2	Chief Financial Officer		

AGENCY: MTA Long Island Rail Road (“LIRR”)
LICENSEE: North Ferry Co., Inc.
LOCATION: South of Wiggins Street, adjacent to the Greenport Station, Greenport, NY
PREMISES: Dock, bulkhead, ferry slips and ferry house consisting of 5,087± square feet.
TERM: Ten (10) year term with a five (5) year option
USE: Operation of a ferry service providing transportation between Greenport and Shelter Island
ACTION REQUESTED: Approval of terms
COMPENSATION:

Term	Fixed License Fees (Annual Rate)	Annual % Increase
Year 1	\$43,636.00	5%
Year 2	\$45,817.80	5%
Year 3	\$48,108.72	5%
Year 4	\$50,514.16	5%
Year 5	\$53,039.87	5%
Year 6	\$55,691.86	5%
Year 7	\$58,476.45	5%
Year 8	\$61,400.27	5%
Year 9	\$64,470.28	5%
Year 10	\$67,693.79	5%
(Five-year option - Year 11 – Year 15)		5%

Staff Summary

FINANCE COMMITTEE MEETING LICENSE AGREEMENT WITH NORTH FERRY COMPANY FOR OPERATION OF A FERRY TERMINAL AT GREENPORT, NY

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COMMENTS:

North Ferry Company has requested a renewal of their July 2007 agreement for the Premises which expired on August 31, 2021, after a 15-year term. North Ferry company is a wholly owned subsidiary of the Shelter Island Heights Property Owners Corporation of Shelter Island and is made up of the Shelter Island residents. As such, they provide the only ferry service from Greenport to the north side of Shelter Island and have an exclusive license to operate from Suffolk County.

Compensation under the new license agreement is approximately \$8.58 per square foot which is above the fair market value as determined by an independent broker's opinion of value.

In addition, given that (1) there is no other ferry service from Greenport to Shelter Island, (2) North Ferry has an exclusive right/license from Suffolk County to provide ferry service from Shelter Island to Greenport, and (3) due to the nature of the use of the dock, ferry slips and bulkhead, it is reasonable to continue with a 10-year license term for the occupancy of North Ferry at this location.

Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement on behalf of the LIRR with North Ferry Company for the operation of its ferry terminal.