

# Staff Summary

<b>Subject</b> <b>ACQUISITION OF 3876-3880 PARK AVENUE FROM 1049 OGDEN REALTY CO., LLC IN CONNECTION WITH THE MNR CLAREMONT SUBSTATION PROJECT IN THE BRONX, 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>JASON ORTIZ</b>

<b>Date</b> <b>JULY 31, 2024</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North	07/29/24		X	
1	Finance Committee	07/29/24	X		
2	Board	07/31/24	X		

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

**AGENCY:** MTA Metro-North Railroad (“MNR”)  
**SELLER:** 1049 Ogden Realty Co., LLC  
**LOCATION:** 3876-3880 Park Avenue, Bronx, NY 10457  
**PREMISES:** Entire lot consisting of 7,530± square feet and entire industrial building consisting of 17,955± square feet  
**USE:** Demolition of existing vacant building and construction of a new electrical substation  
**ACTION REQUESTED:** Authorization to enter into contract of sale for purchase of the Premises and to purchase the Premises pursuant thereto  
**PURCHASE PRICE:** \$2,250,000

**COMMENTS:**

MNR is proceeding with the Claremont Substation Project (the “Project”) in order to strengthen the traction power system on the Harlem Line. Existing equipment at substations in the adjacent Melrose and Tremont neighborhoods are overloaded and located too far apart to provide the necessary power. The Project’s objective/benefit is to build a new substation in Claremont to increase the load capacity of the traction power system to improve MNR’s service reliability. The Project includes the construction of a new substation and the associated installation of feeders to the existing third rail and local utility infrastructure.

In connection with the Project, the MTA is seeking to acquire the Premises. In July 2023, the MTA Board authorized MTA Real Estate to proceed with this acquisition by negotiated agreement or condemnation, with the terms of any negotiated agreement subject to further Board approval. In May 2024, the MTA Board approved the Determination and Findings and authorized MTA staff and counsel to pursue eminent domain proceedings to acquire the required property interests by eminent domain, if necessary.

MTA Real Estate has maintained negotiations with the Seller since the completion on November 27, 2023 of an independent appraisal of the property, MTA Real Estate and the Seller have reached a preliminary agreement for the MTA to acquire the property in lieu of condemnation at the asking price of \$2,250,000 which is in line with the fair market value established by the appraisal.

# Staff Summary



## FINANCE COMMITTEE MEETING

### ACQUISITION OF 3876-3880 PARK AVENUE FROM 1049 OGDEN REALTY CO., LLC IN CONNECTION WITH THE MNR CLAREMONT SUBSTATION PROJECT IN THE BRONX, NY (cont'd)

Page 2 of 2

Based on the foregoing, MTA Real Estate is requesting authorization to enter into a contract of sale with 1049 Ogden Realty Co., LLC and acquire the Premises pursuant to such contract on the above terms and conditions.