

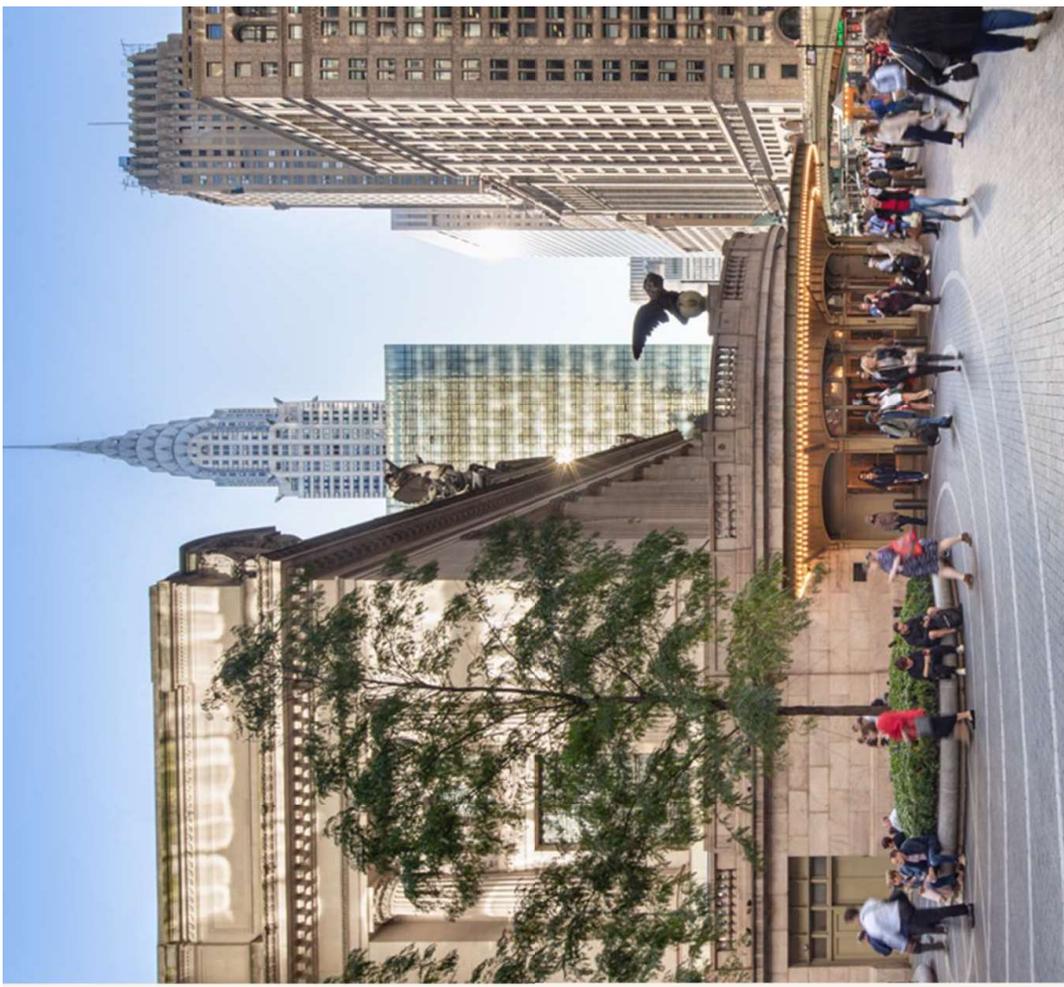


GRAND CENTRAL

Retail Activity 2023 Annual Report



Real Estate Department



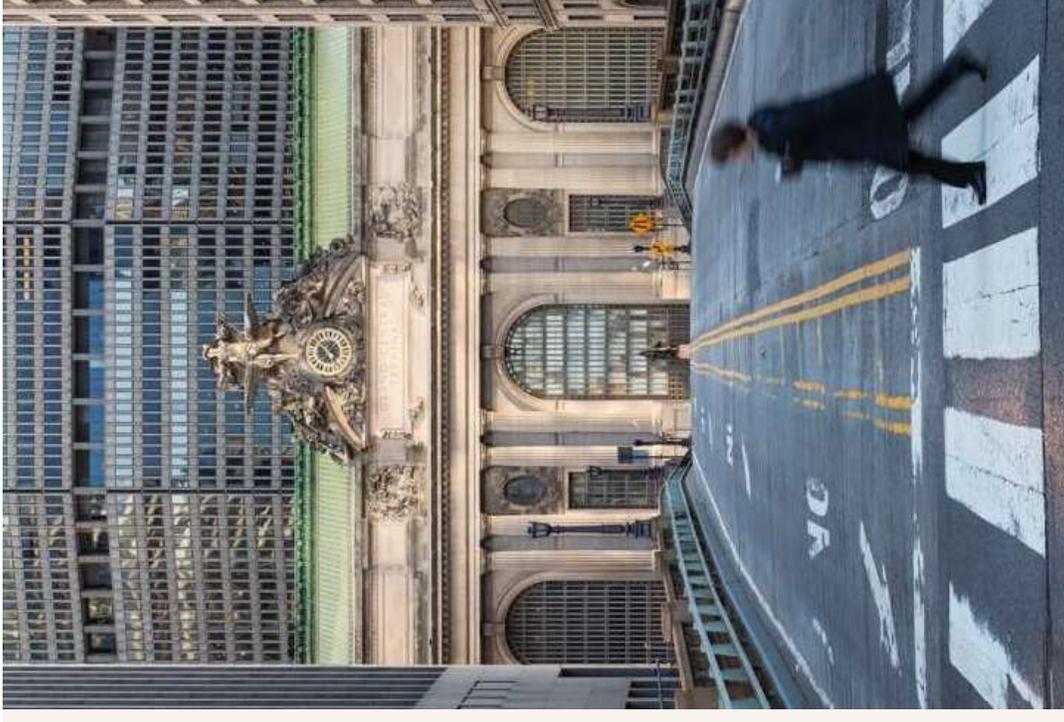
Summary

From a retail perspective, 2023 was a year much improved over 2022. Nine new retailers opened, and eleven new license deals were executed or underway, a pipeline that will see 92% of GCT's retail spaces committed by year's end, up from 77% in January. A steady increase in New York City tourism combined with a push by employers to bring more employees back to the office has made a noticeable difference in Midtown East pedestrian activity. And, unlike other office-dependent neighborhoods in Manhattan, the multi-line commuter convenience of Grand Central, especially with the opening of LIRR service in Grand Central Madison, gives our retail program a unique advantage.

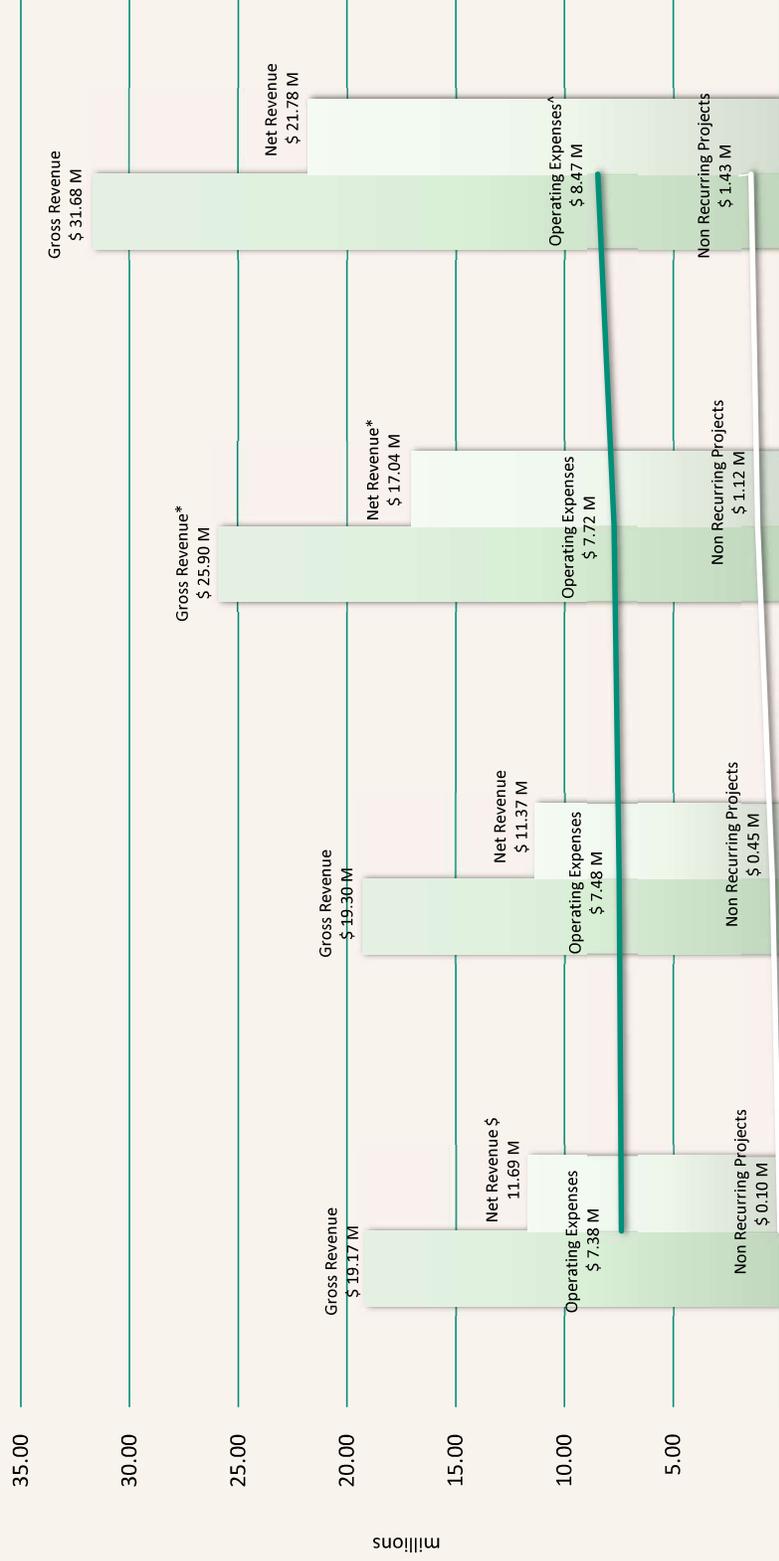
As a further indication of continued improvement, existing tenants saw an 22% increase in year-over-year sales from 2022. Along that same line, the number of commercial events were up in GCT, doubling to twenty. The traditional Holiday Fair rounded out the year with another successful season. All-in-all, 2023 was a year of positive growth.

Although things were brighter in 2023, challenges still remained. Rent levels are markedly below 2019 levels as new tenants are faced with increasing construction fit-out and borrowing costs. That, along with persistent staffing shortages, has meant tenants want smaller, more efficient footprints -- impacting vacancy and revenue of GCT's larger spaces along 42nd Street and the Shuttle Passage space vacated by Rite Aid. And while a busy construction calendar is a sign of good things to come, it also means additional focus is required by MTA in-house resources to ensure plan review, permitting and inspections keeps apace. In addition, repairs for unforeseen base-building conditions, tenant equipment replacements, and upgrades to fire-alarm systems have been required as turnover of vacant spaces requires necessary code upgrades -- adding time to construction schedules and pushing tenant opening date targets.

As we head into 2024 and the prospect of reaching full occupancy, we are expecting retail sales will continue its upward trend and that tenant revenue will grow along with new tenant openings. Our strategic planning will then turn towards solidifying long-term, deals and expanding event, sponsorship and pop-up opportunities and grow ancillary income streams.



2021 – 2023 Income and Expenses



2024 Projections
 An increase of \$750K includes tenant coordination and landlord repair costs to re-lease and prep vacant tenant spaces for new tenants

2023 Actuals
 * does not include a one-time settlement payment of \$8.9M received from Rite Aid for early termination

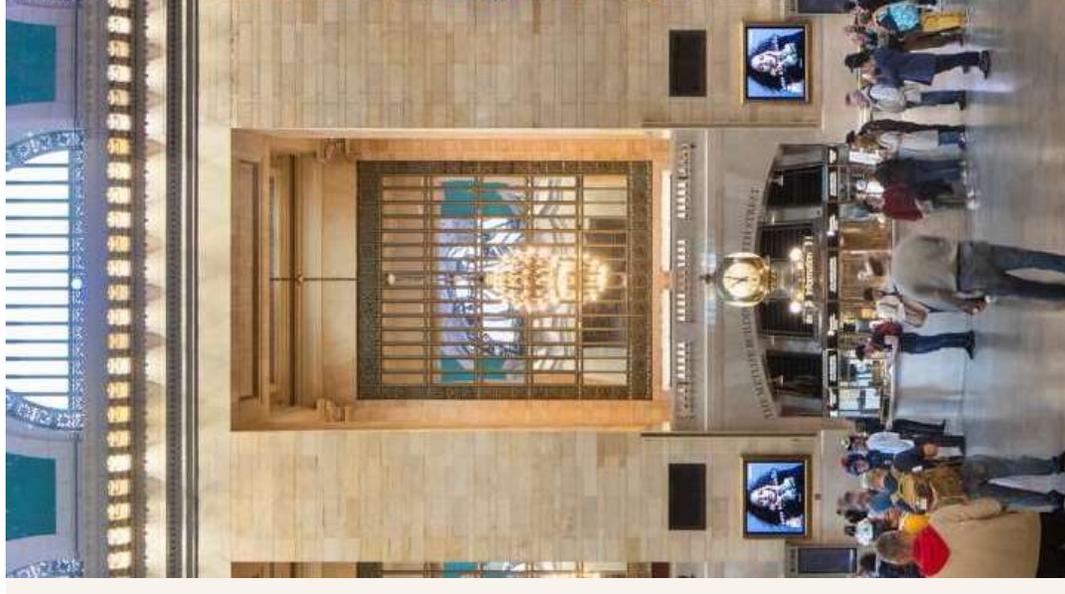
Tenant Revenue

GCT realized a noteworthy increase of \$6.6M in gross revenue in 2023 as additional deals were executed, vacancies decreased, and percentage rent payments went up along with rising sales. As we move forward into 2024, we anticipate twelve new retail openings as we close-in on our goal of full occupancy.

Throughout 2023, GCT continued implementing three-year licenses at competitive rents to both incumbent and prospective tenants. Granting these short-term licenses in lieu of long-term leases provided for more flexibility in negotiating new deals and has helped establish a higher baseline for soliciting future long-term deals, as per-sq-ft getting rents have slowly but steadily increased. The market has been receptive to this approach as eleven new deals were signed in 2023 with another six under negotiation at year's end. The Request-for-Proposal (RFP) process for retail leasing will gradually return, for key locations, starting in mid-2024.

As week-day average ridership and pedestrian patterns at Grand Central Terminal improved throughout the year, the increase in traffic did not necessarily result in a return to the high-level mark of 2019 sales. In addition to sales that generally lagged 27% behind pre-Covid numbers, inflationary demands continue to drive up tenants' costs of goods and labor shortages impacted tenants' abilities to maintain or increase operating hours.

Additionally, the Board-approved Temporary Rent Adjustment Agreement (TRAA) rent relief program was extended in September for a handful of GCT small-business tenants still operating at high occupancy ratios under leases signed prior to 2019. It is expected that as sales continue to improve and new licenses/leases are implemented, the number of tenants aided by the TRAA will gradually decrease throughout 2024, eventually sunsetting.



Retail Capital Projects

During 2023, MTA Real Estate and Metro-North continued an ongoing project to upgrade the duct and ventilation infrastructure supporting the food operations in the Dining Concourse. Originally designed and constructed in the late 1990s as part of the terminal's restoration, the ventilation system required a significant effort to maintain a state-of-good-repair and comply with updated New York State fire and life safety codes.

A crucial phase of this state-of-good-repair effort involved creating platforms within the duct risers up to the terminal's roof. This upgrade will facilitate more rigorous cleaning procedures for the ducts, thereby increasing their effectiveness and reducing the risk of fire.

Capital Projects

Lorich Construction Management LLC	2,451,766
Grant Engineering	79,198
Jones Lang Lasalle	103,894
Total Capital Projects	2,634,858

Looking ahead into Phase III of this project, using access made possible by installation of the platforms, a thorough survey and evaluation of the kitchen exhaust duct system will be able to be performed to assess the integrity of the ductwork and determine if repair work is required to maintain a state-of-good-repair status.

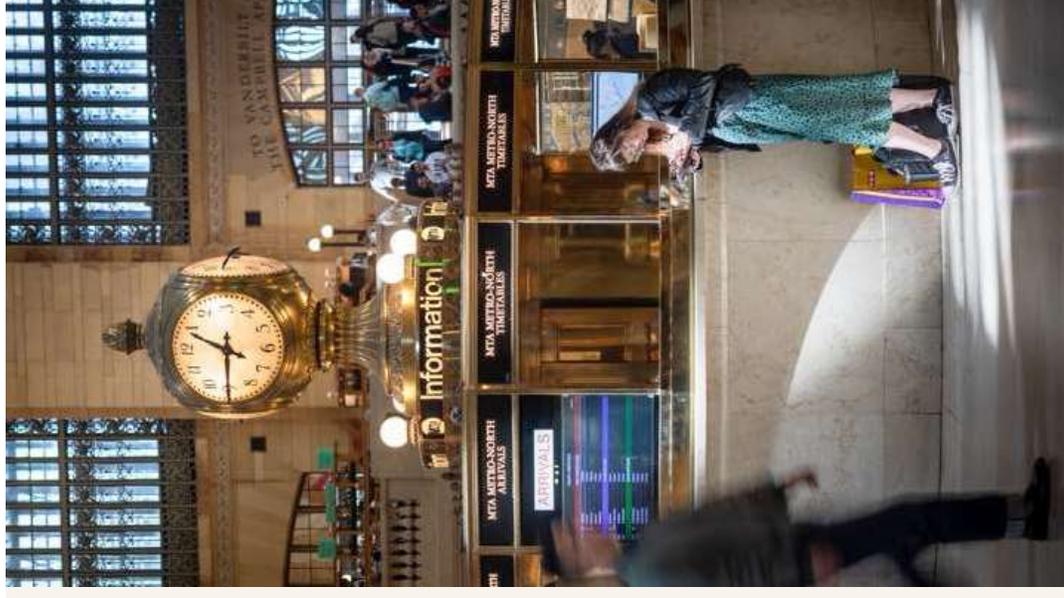


Tenant Sales Performance

Total Gross Sales represents the cumulative receipts of all tenants over a year, essentially summing up all consumer purchases made in GCT for that period. This data is crucial for assessing the program's overall health, as it can be affected by high vacancy rates or sluggish leasing activity.

	Total Gross Sales		
	2023	2022	
42 nd St. Retail	4,174,392	4,199,628	-1%
Main Concourse	6,676,731	6,019,377	10%
Shuttle Passage	16,883,035	15,556,062	13%
42 nd St. Passage	7,606,060	4,741,872	38%
Graybar Passage	10,660,605	8,569,094	20%
Lexington Passage	14,649,917	10,216,881	30%
Biltmore Room/Roosevelt Passage	2,552,194	1,519,654	40%
Grand Central Market	15,209,300	11,737,212	23%
Dining Concourse	36,737,832	24,220,497	34%
Restaurants	30,577,730	23,798,759	22%
Total	\$ 145,625,789	\$111,032,548	24%

Total reported retail sales for 2023 were \$145,625,789, reflecting a 24% increase (\$34,593,241) overall from 2022. By breaking it down to the different neighborhoods, we are able to see where tenants are thriving and where addition support is needed. This rise reflects an overall boost in retail across the board and is improved by the nine new retail tenants opened in 2023. It is important to note, however, that 2023 sales were still 27% below the 2019 high-level mark of \$200,243,578.



Tenant Sales Performance

Comparative Sales 2023/2022			
	2023	2022	%
42nd St. Retail	4,072,383	3,725,329	9%
Main Concourse	6,676,731	4,971,156	26%
Shuttle Passage	16,883,035	14,652,146	13%
42nd St. Passage	7,423,454	5,790,093	22%
Graybar Passage	10,660,605	8,704,092	18%
Lexington Passage	14,409,290	10,707,088	26%
Biltmore Room/ Roosevelt Passage	2,552,194	1,519,654	40%
Grand Central Market	15,209,300	11,767,165	23%
Dining Concourse	36,052,618	25,179,085	30%
Restaurants	27,586,461	23,798,759	14%
Total	\$ 141,526,072	\$ 110,814,566	22%

Average Comparative Sales Per Square Foot			
	2023	2022	%
42nd Street Retail	572	523	9%
Main Concourse	2,673	1,990	26%
Shuttle Passage	1,576	1,368	13%
42nd St. Passage	2,377	1,854	22%
Graybar Passage	2,801	2,287	18%
Lexington Passage	2,351	1,747	26%
Biltmore Room/ Roosevelt Passage	1,809	1,077	40%
Grand Central Market	2,207	1,707	23%
Dining Concourse	3,764	2,629	30%
Restaurants	890	767	14%
All GCT	1,720	1,347	22%
All GCT Excluding balcony/restaurants: Oyster Bar, Cipriani Dolci, and The Campbell Apartment	2,222	1,697	24%

Comparative Sales measure transaction values by comparing year-over-year sales of businesses that have been open for two consecutive years in the same location. This data provides insight into location performance and indicates the strength or weakness of retail activity. In this way, we can thoughtfully adjust marketing tools and support resources accordingly to boost lower performing areas.

Total reported comparative sales for 2023 were \$141,526,072, a 22% increase (\$30,711,506) from 2022. This significant increase can be attributed to a substantial increase in traffic combined with an intentionally focused marketing and media strategy.

Licensing Activity

Since Covid-19, MTA Real Estate has issued short term licenses instead of long term leases while the market recovers.

Licenses signed in 2023: 16

Leases signed in 2023: 0

Negotiations in process during 2023: 18



Licenses Signed	
Frankie's Dogs (existing tenant)	January 12, 2023
Veselka	February 3, 2023
BKLN BLOKE	February 23, 2023
PIQ	March 24, 2023
Damselfly – Dining Concourse	July 21, 2023
OXUM NYC	August 22, 2023
Playa Bowl	September 5, 2023
Joey Bats	September 19, 2023
Salt Point Meadery	September 20, 2023
Shake Shack (existing tenant)	September 29, 2023
Li-Lac Chocolate (existing tenant)	September 29, 2023
Magnolia Bakery (existing tenant)	October 1, 2023
Van Leeuwen	October 27, 2023
New Form Perspective	November 2, 2023
ChaShama	November 22, 2023
Starbucks (existing tenant)	December 1, 2023
Leases in Negotiation	
None	
Licenses in Negotiation	
Melba's	(signed in 2024)
Sebatino Truffles	(signed in 2024)
Charles Tyrwhitt	(signed in 2024)
San Wei	(signed in 2024)
Eli's Bread (existing tenant)	(signed in 2024)
Eli's Farm to Table (existing tenant)	(signed in 2024)
Ceriello (existing tenant)	(signed in 2024)
Joe's Coffee Dining Concourse (existing tenant)	(signed in 2024)
Joe's Coffee Graybar (existing tenant)	(signed in 2024)
L'Occitane (existing tenant)	(signed in 2024)
Dishes (existing tenant)	(signed in 2024)
Charles Tyrwhitt	(signed in 2024)
Banana Republic (existing tenant)	(signed in 2024)
Murray's Cheese (existing tenant)	(signed in 2024)
Chirping Chicken (existing tenant)	(signed in 2024)
Pescatore Seafood (existing tenant)	(signed in 2024)
Central Market (existing tenant)	(signed in 2024)
Naya	(signed in 2024)

Licensing Activity

New Tenant Openings in 2023: 9

Tenant Closings in 2023: 2



New Tenant Openings

Lululemon (MC-09)	January 13, 2023
Moleskine (MC-83)	March 8, 2023
Damselfly – Dining Concourse (K-1)	February 10, 2023
Brooklyn Bloke (MC-68)	May 4, 2023
Veselka (LC-05)	September 18, 2023
Stroopwafel (LC-11)	September 28, 2023
New Form Perspective (MC-62)	November 17, 2023
Oxum (MC-70)	November 13, 2023
PIQ (MC-27)	December 15, 2023

Tenant Closings

Chase ATM (LC-35)	August 31, 2023
Rite Aid (MC-10)	December 31, 2023



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Event Sales Highlights



Event Sales

2023 marked a strong comeback for events with the program returning to a more regularly paced schedule. Vanderbilt Hall started the off the year by hosting the 25th annual JP Morgan Chase Tournament of Champions, an international squash tournament that brings top-tier athletes from around the world to Grand Central. Thirteen more events followed throughout the year, adding incidental income related to ancillary use of The Bridge (a newly branded area between the Main Concourse and Vanderbilt Hall) and utilizing the former Vineyard Vines space for storage. The year rounded out with the annual fan-favorite Holiday Fair.

Additional revenue was generated through the introduction of sampling spaces and customized kiosks in the Graybar Passage, the opening of the Biltmore Room as an event space, and premium sampling spaces in the Thanksgiving Market.

Heading into 2024 the goal is to increase revenue by streamlining event administrative processes and exploring new ways to attract events to Vanderbilt Hall as well as in secondary locations, such as the Biltmore Room, Graybar Passage, and other GCT locations.

Grand Central Special Events - 2023

Month	(in # of days)					Total 2023 Event Revenue
	Commercial Events	# MNR Events (including film shoots)	The Bridge, Graybar + Biltmore	GCT Retail hosted events		
January	18	1				\$110,500
February						
March		3				
April	6	2	30			\$119,000
May	8	6		1		\$105,000
June	8		14			\$168,250
July		2				
August	2	1				\$ 18,750
September	3	1				\$ 41,250
October	1		18			\$ 40,000
November		2	31	28		\$904,000
December			31	29		\$ 65,430
Total	46	22	124	58		\$1,572,180

2023 Holiday Fair

With a new look and a presenting sponsor, the 2023 Holiday Fair was a success. The entire Fair was rebranded with a beautiful gold and blue design, giving it a polished and upscale appearance. Presenting sponsorship from American Greetings helped in creating a festive cheer with two activations on each side of The Bridge leading into the Holiday Fair. A strong group of vendors showcased a variety of unique products and self-reported sales averaged around \$104,000 per booth.

With the help of MTA Press, the Holiday Fair received excellent coverage, attracting local, national, and international attention. Additional advertising included a partnership with MTA Away, social media promotions, Hearst ad buys, print ads in Westchester newspapers, and paid e-blasts to NYC Tourism and TimeOut NY subscribers.

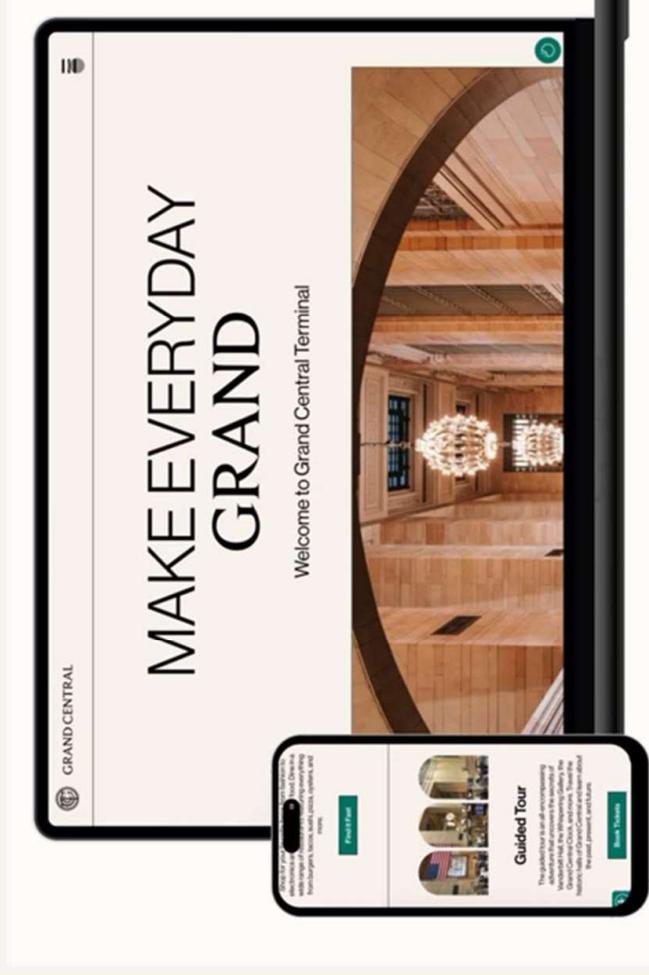


Marketing

In 2023, GCT Marketing embarked on a revitalization journey for the Grand Central brand, spearheading a comprehensive brand refresh to herald a new chapter for Grand Central – one that seamlessly blends a forward-looking perspective with reverence for the landmark's storied heritage.

We call it . . . **EVERYDAY GRAND**. It's a phrase that synthesizes what Grand Central stands for from a civic, cultural, and commercial perspective expressing a combination of eminence and ease, architectural landmark and accessible hangout.

- A new design agency was procured to refresh the GCT brand including colors, fonts, and aesthetics, and updated signage and storefront vinyl.
- In just five months, a new GCT website was launched, featuring an easy-to-navigate retail and dining directory, digital map, and a commercial section for leasing, events, and filming.



Marketing

- Terminal maps were redesigned including digital directories and print.
- MTA internal partnerships were strengthened, facilitating initiatives like the first-ever "Flash-Sale" promoting 12 GCT tenants across the MTA network, delivering 2.9M impressions in 3 days with a \$5K investment.
- Updated GCT photography, including the building, beauty, and storefront images of all tenant spaces.
- Hosted public events such as free yoga in Vanderbilt Hall, Thursday happy hours, Thanksgiving tenant market events, and the Holiday Wrap-Up gift wrap which ran an extra week for a total of 15 days, activating the Biltmore Room with energy and cheer.
- Grand Central Holiday Fair branding was redesigned and collaborated with New York City Ballet for the 2023 ribbon-cutting event.



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SHOPPING

1	Cherry & Sons	11	City Winery	21	Cherry Bar and Restaurant
2	Manhattan	12	City Winery	22	Manhattan Seafood Co.
3	Manhattan	13	Compass Photo Events	23	Manhattan Seafood Co.
4	Manhattan	14	Compass Photo Events	24	Manhattan Seafood Co.
5	Manhattan	15	Compass Photo Events	25	Manhattan Seafood Co.
6	Manhattan	16	Compass Photo Events	26	Manhattan Seafood Co.
7	Manhattan	17	Compass Photo Events	27	Manhattan Seafood Co.
8	Manhattan	18	Compass Photo Events	28	Manhattan Seafood Co.
9	Manhattan	19	Compass Photo Events	29	Manhattan Seafood Co.
10	Manhattan	20	Compass Photo Events	30	Manhattan Seafood Co.

DINING

1	Cherry & Sons	11	City Winery	21	Cherry Bar and Restaurant
2	Manhattan	12	City Winery	22	Manhattan Seafood Co.
3	Manhattan	13	Compass Photo Events	23	Manhattan Seafood Co.
4	Manhattan	14	Compass Photo Events	24	Manhattan Seafood Co.
5	Manhattan	15	Compass Photo Events	25	Manhattan Seafood Co.
6	Manhattan	16	Compass Photo Events	26	Manhattan Seafood Co.
7	Manhattan	17	Compass Photo Events	27	Manhattan Seafood Co.
8	Manhattan	18	Compass Photo Events	28	Manhattan Seafood Co.
9	Manhattan	19	Compass Photo Events	29	Manhattan Seafood Co.
10	Manhattan	20	Compass Photo Events	30	Manhattan Seafood Co.

Digital Marketing: Social Media & Eblast Newsletter

- The GCT total social media audience achieved 15.5K follower growth, 23.2M impressions, and 1.4M engagement in 2023.
- The GCT eblast newsletter grew from just over 102K subscribers at the beginning of 2023, to over 129K subscribers by the end of December; in total, 79 total eblasts were created and by year's end, weekly, if not 2x weekly eblasts were shared with GCT subscribers
- Top performing eblasts*:
 - Metro-North Celebrates 40 Years - 41% open rate
 - Holiday Train Show & Grand Central Retail - 40% open rate
 - Halloween Shopping & Trips - 39.8% open rate

* The average open rate (percentage of emails opened by subscribers) for email newsletters across all industries is approximately 21%, according to MailChimp



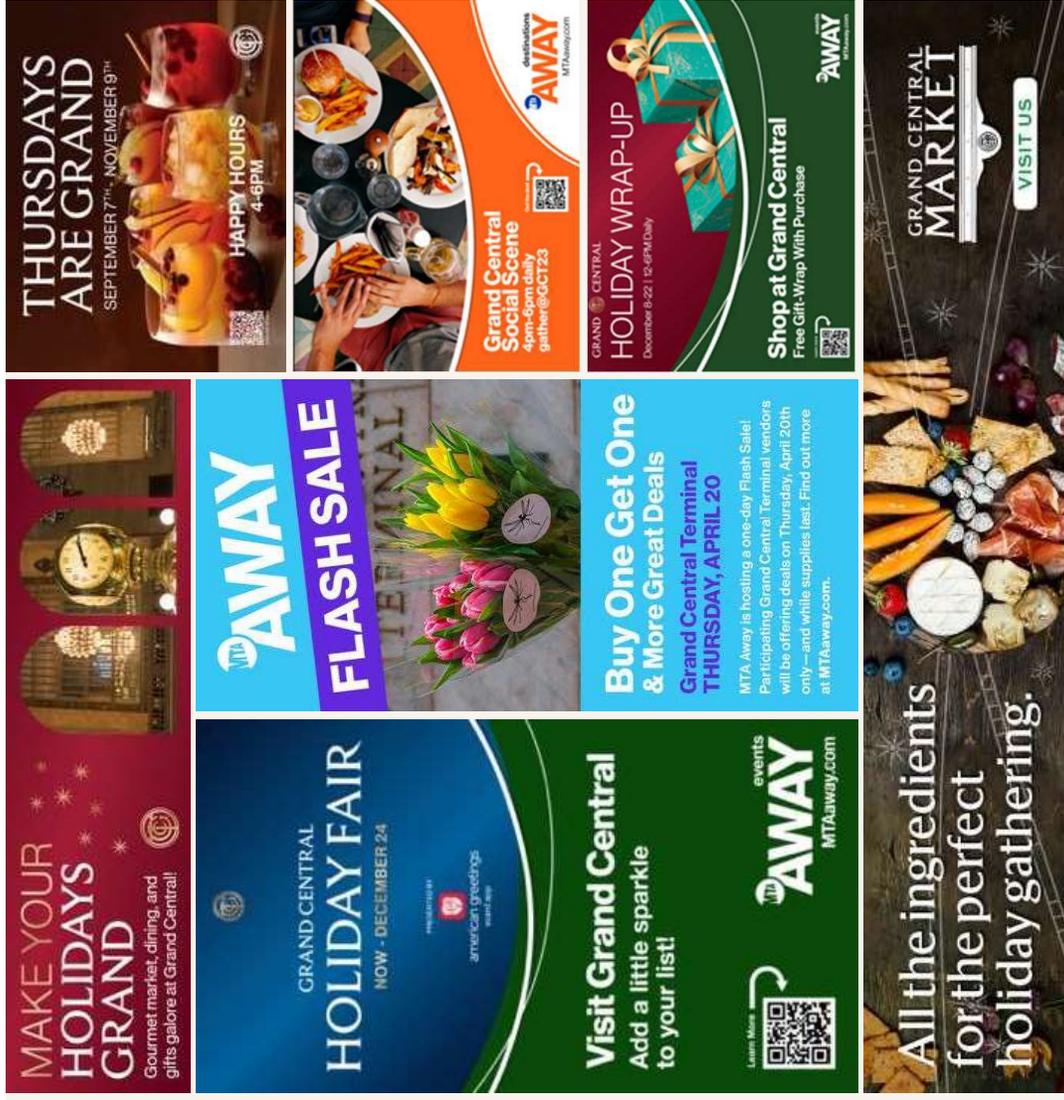
Tenant Promotions

GCT Marketing employed various strategies to advertise what's happening at GCT and promote our tenants.

In 2023, our efforts were centered on fostering collaboration and nurturing relationships with internal MTA resources to effectively engage commuters, a significant portion of our target demographic, particularly Metro-North and Long Island Rail Road riders. Paid advertising was secured via partnerships forged with teams at MTA Away to reach commuters across the transit system. Additional promotional efforts were carried out in collaboration with MTA, MNR, LIRR, and the Grand Central Partnership, bolstered by coordinated e-blasts and social media initiatives.

Furthermore, we cultivated robust connections with neighboring entities and destinations on the commuter rail lines, including SUMMIT, the New York Botanical Garden, Great Pumpkin Blaze, and the Hyatt. Throughout the year, strategic advertising within the Hyatt Grand Central lobby showcased GCT Dining Concourse tenants, capitalizing on the hotel's limited food options and a steady influx of tourists seeking convenient dining experiences.

During the holiday season, three targeted campaigns promoted Grand Central Market, the Holiday Wrap-Up, and overall shopping experiences at Grand Central. These campaigns utilized paid social media advertisements on platforms like Facebook and Instagram, targeting specific geographic regions. Additionally, digital advertising was strategically deployed with Hearst and NYC Tourism, ensuring broad visibility for our tenants.



PR & Media

Grand Central in the News:

262.3M + Estimated media impressions in 2023

\$24.5M + Estimated PR value from secured coverage

To increase awareness and demand for GCT's dynamic dining, a variety of pitches were crafted spotlighting classics like Oyster Bar and The Campbell Bar, while also heralding the arrival of Veselka, Playa Bowls, Van Leeuwen, and more. Primary media targets included but were not limited to Eater NY, Crain's New York, Forbes, NBC New York and Travel + Leisure.

A PR strategy was designed and executed to publicize the 25th anniversary of Grand Central Terminal's restoration. Treated as a landmark success story and modern-day architecture gem, media including broadcast, digital and print outlets were invited to tour with the architects and experts who played a key role in the GCT's preservation. This resulted in a PIX11 broadcast segment which aired on the station nearly 10 times and was published online as a digital feature story.

Throughout Q4, the focus was on creatively amplifying holiday happenings. These efforts started with securing talent from the New York City Ballet, a highly recognizable brand and holiday tradition, that was leveraged to create a visual media moment to bolster the Holiday Fair's ribbon-cutting. Ongoing pitching leveraged video and photo assets to land digital coverage and broadcast segments.

843.5M+ HOLIDAY FAIR Estimated Media Impressions

\$79.08M+ HOLIDAY FAIR Estimated PR Value

Estimated Media Impressions is the estimated number of times a target audience has seen media content, as calculated and reported by independent industry sources.

Estimated PR Value is equivalent to how much it would cost if purchasing the media to reach the target audience



Real Estate Department



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Travel delays? These airports and train stations actually have great food

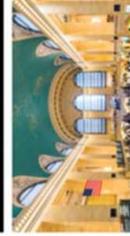


LIST: Winter festivities across the Tri-State area to celebrate the holiday season



Condé Nast
Traveler

The 26 most beautiful train stations in the world



MAJORS RESTORATION PROJECT AT GRAND CENTRAL TURNS 25 YEARS OLD

AD
ARCHITECTURAL DIGEST

Inside the Secret Life of New York's Grand Central Station

Take a look into the past, present, and future of the world's greatest train station



Best Christmas things to do in NYC for a magical time this holiday season

Make the most of the holidays with our list of Christmas things to do in NYC, including tree-lighting, classic holiday shows and festive bars.

15. Holiday Train Show at Grand Central Terminal

Things to do | **15th Feb 20, 2024**
For the first time since 2005, the New York Transit Museum is back with its beloved Holiday Train Show!

CRAIN'S
NEW YORK BUSINESS
3 more eateries coming to Grand Central this fall

An increase in mass-transit ridership and rising foot-traffic figures seem to continue to lure restaurants to Grand Central Terminal even as the retail market in the neighborhood has remained largely depressed in the past year. This week, the MTA announced that two restaurants recently opened at the terminal's dining concourse and three more have agreed to open there.



FOX5
GRAND CENTRAL HOLIDAY FAIR RETURNS
TRAVEL+ LEISURE

Secrets of New York City's Grand Central Terminal

Think you know the famed station well? These 11 tables may surprise you.



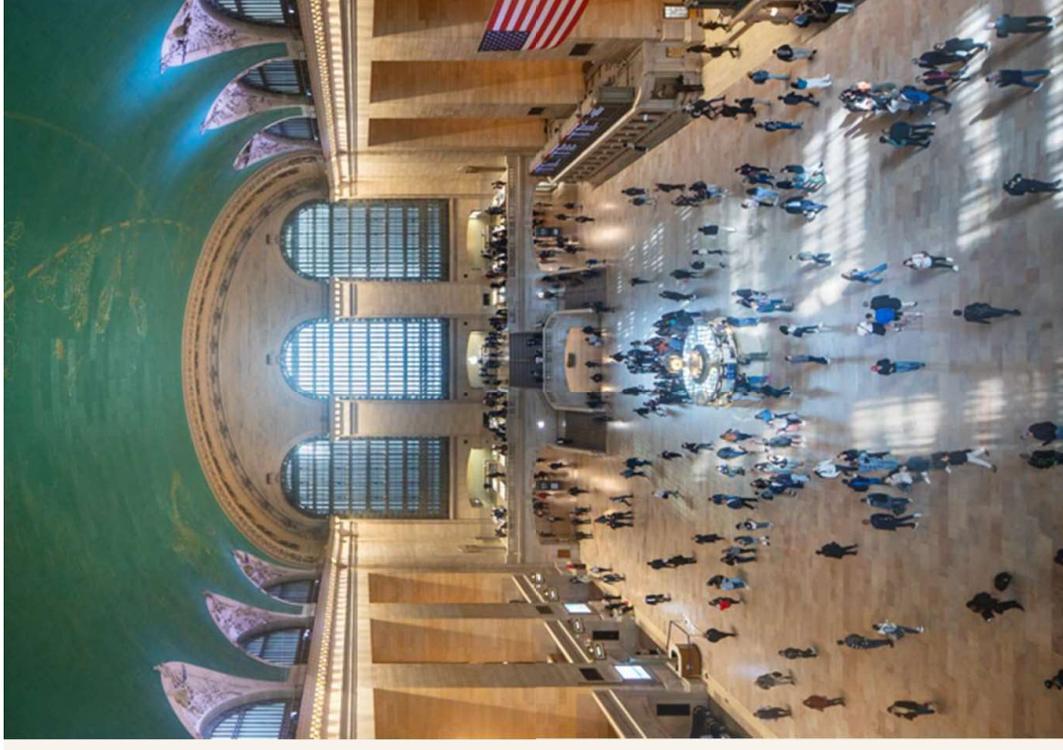
Tenant Communications

We are deeply committed to nurturing a sense of community among our tenants, fostering collaboration and camaraderie among them. For instance, our Happy Hour programs feature multiple establishments such as Tartinery, Prova Pizzabar, Campbell, Oyster Bar, Luke's Lobster, and City Winery.

To further facilitate interaction and exchange, we host bi-annual tenant town hall meetings with MTA PD, Fire Brigade, and General Management staff. Additional tenant socials hosted in Vanderbilt Hall offer GCT tenants invaluable opportunities to engage face-to-face, share insights with management, and forge meaningful connections.

In 2023, GCT Marketing also launched a monthly tenant marketing newsletter to enhance internal communications and boost tenant responsiveness.

The Engineering, Tenant Coordination, and Tenant Construction teams supported the onboarding of nine new tenants, as well as continuous support of day-to-day tenant needs.



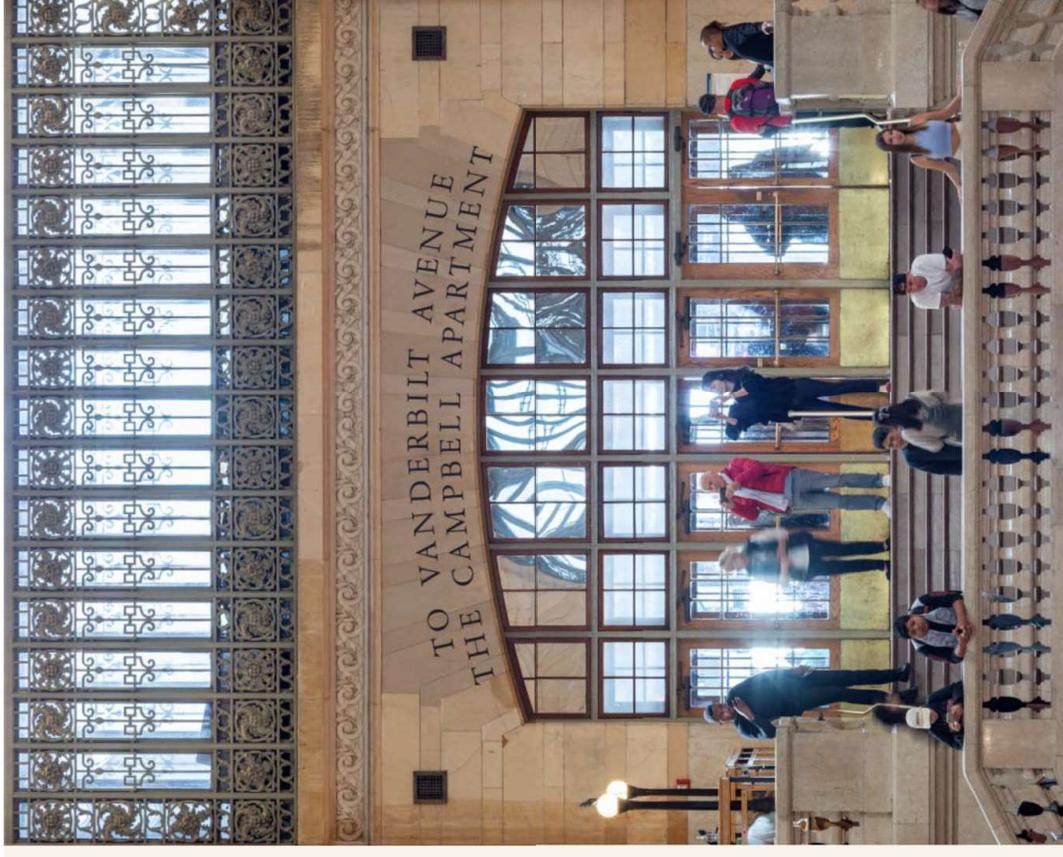
Looking Forward - 2024

2023 was busy, which means 2024 will be busier. A prime focus on tenant design and construction will see thirteen retail spaces either opened or in construction by year's end. In parallel, strategic planning will continue to find new tenants for the remaining eight opportunities within the Terminal as well as exploring new, creative ways to capitalize on underutilized spaces.

As we steer towards full occupancy again, business processes will be examined to ensure new deals move efficiently from an expression-of-interest stage to full opening. Newly designed leasing materials will kick-start a re-invigorated Request-for-Proposals (RFP) program, with four prime retail locations slated for 2024 issuance. Strengthened inter-department relationships will help leverage available MTA resources to showcase Grand Central offerings and a joint effort to streamline events processes will take aim at re-energizing Grand Central's robust events program.

And, with the on-boarding of Grand Central Madison, we are eager to expand retail services to LIRR customers by soliciting proposals for a Master Lessee that will deliver a quality, curated retail offering that meets the needs of everyday users and occasional visitors traversing this brand-new, world-class facility. But until the Master Lessee can be procured, pop-up retail and a central bar/café lease will enhance the customer experience with essential amenities and to-go options.

All in all, 2024 is gearing up to be a grand year for retail.





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Thank You



grandcentralterminal.com