

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

**1. TRANSACTIONAL ACTION ITEMS**

Metropolitan Transportation Authority

- a. Lease agreement with Starbucks Corporation for a retail unit in 2 Broadway, New York, NY

MTA New York City Transit

- b. License agreement with CC Vending, Inc. for vending machines at various subway stations
- c. License agreement with Wells Fargo Bank, N.A. for ATMs at 34 St Herald Square, 14 St - Union Square, Gun Hill Road, and Jackson Heights – Roosevelt Avenue/74th Street Stations
- d. Amendment of the lease with Greater Jamaica Development Corp. for a relocated Jamaica Bus Terminal

MTA Metro-North Railroad

- e. Lease agreement with Bagel Train Brewster LLC for retail space in the Brewster Station Building, Brewster, NY
- f. Acquisition of 3876-3880 Park Avenue from 1049 Ogden Realty Co., LLC in connection with the MNR Claremont Substation project in the Bronx, NY

MTA Long Island Rail Road

- g. License agreement with Consolidated Edison for vacant land adjacent to the LIRR freight line in Brooklyn, NY

**2. INFORMATION ITEMS**

- a. Grand Central Terminal Annual Report

- b. Short-term access agreement extension between MNR and 1 HMB MZL Property Owner, LLC for continued storage operations at 1 Half Moon Bay, Croton-on-Hudson, NY
- c. Permit agreement between B&T and Sandhurst Associates LTD for the sidewalk area adjacent to 633 Third Avenue, New York, NY
- d. License agreement between NYCT and Art on the Ave NYC LLC to create and operate a sound booth for live music performances at 81 Street – Museum of Natural History Station
- e. 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&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 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

<b>Subject</b> <b>LEASE AGREEMENT WITH STARBUCKS CORPORATION FOR A RETAIL UNIT IN 2 BROADWAY, NEW YORK, 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	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:** Metropolitan Transportation Authority (“MTA”)  
**LESSEE:** Starbucks Corporation (“Starbucks”)  
**LOCATION:** 2 Broadway, New York, NY  
**PREMISES:** Approximately 1,480 square feet of retail space fronting Broadway  
**USE:** Operation of a Starbucks coffee shop  
**ACTION REQUESTED:** Authorization to enter into a lease agreement  
**TERM:** Ten (10) years  
**RENT:** \$1,289,376.38 NPV at 6% for the 10 year term

Term	Annual Rent	PSF	Escalation
Year 1	\$168,000.00	\$113.51	
Year 2	\$168,000.00	\$113.51	0%
Year 3	\$168,000.00	\$113.51	0%
Year 4	\$168,000.00	\$113.51	0%
Year 5	\$168,000.00	\$113.51	0%
Year 6	\$184,800.00	\$124.86	10%
Year 7	\$184,800.00	\$124.86	0%
Year 8	\$184,800.00	\$124.86	0%
Year 9	\$184,800.00	\$124.86	0%
Year 10	\$184,800.00	\$124.86	0%

## FINANCE COMMITTEE MEETING

### LEASE AGREEMENT WITH STARBUCKS CORPORATION FOR A RETAIL UNIT IN 2 BROADWAY, NEW YORK, NY (Cont'd)

#### COMMENTS:

MTA Real Estate issued a Request for Proposals ("RFP") dated October 18, 2023 for street front retail at 2 Broadway. This unit was previously occupied by Nine West until January 31, 2017, and has since been vacant having had several unsuccessful RFP's. Starbucks, who has been the current tenant at 2 Broadway since September 1, 2003, was the sole proposer. Starbucks proposed an initial rent payment of \$113.51 psf for the relocation to the vacant unit, which is in line with their current rent payment of \$118.51 psf.

One (1) proposal was received, and the proposal is summarized below:

<b>Proposer Name</b>	<b>Present Value at 6%</b>
Starbucks	\$ 1,289,376.38

Starbucks Corporation is an American multinational chain of coffeehouses and roastery reserves headquartered in Seattle, Washington, and the world's largest coffeehouse chain. As of November 2022, the company had 36,000+ stores in 80 countries, 17,068 of which were located in the United States. Starbucks Corporation has very good credit and sufficient financial resources to successfully complete the required improvements and compensation obligations.

MTA Real Estate obtained an independent appraisal in September 2023 to determine the market rental value of the Premises and the appraised value was \$130.00 psf. While Starbucks was below this appraisal value, the overall financials and concept were the best choice for the space, there were no other proposers, and the MTA is able to maintain a valuable amenity and national brand for 2 Broadway.

Based on the foregoing, MTA Real Estate is requesting authorization to enter into a lease agreement on behalf of the MTA with Starbucks Corporation for the operation of a retail unit at MTA's 2 Broadway.

# **MTA NEW YORK CITY TRANSIT**

# Staff Summary

<b>Subject</b> <b>LICENSE AGREEMENT WITH CC VENDING INC. FOR VENDING USES AT VARIOUS NYCT STATIONS, NEW YORK</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>RAYMOND SMYTH</b>

<b>Date</b> <b>JULY 31, 2024</b>
<b>Vendor Name</b>
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Board Action					
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1	Finance Committee	07/29/24	X		
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**AGENCY:** MTA New York City Transit (“NYCT”)  
**LICENSEE:** CC Vending, Inc.  
**LOCATIONS:** 24 NYCT Stations – See Exhibit A attached.  
**LICENSED AREAS:** 28 Licensed Areas - See Exhibit A attached.  
**USE:** Operation and maintenance of vending machines  
**ACTION REQUESTED:** Approval to enter into a license agreement with CC Vending, Inc.  
**TERM:** Five (5) years and one five (5) year option term  
**COMPENSATION:**

License Year	Rent	Escalation
1	\$ 102,500.00	N/A
2	\$ 102,500.00	N/A
3	\$ 102,500.00	N/A
4	\$ 102,500.00	N/A
5	\$ 102,500.00	N/A

**COMMENTS:**

MTA Real Estate issued a Request for Proposals (“RFP”) on April 28, 2023, seeking qualified operators to provide services consisting of furnishing, installing, stocking, maintaining, managing, and operating vending machines at a total of thirty-five (35) locations (individually “Location,” and collectively the “Locations”) within various NYCT stations. The RFP sought proposals for a wide range of automated vending uses, including but not limited to retail merchandise, technology products, health and beauty products, and convenience items. Additionally, food and beverage vending concepts—such as fresh food, prepackaged food, and coffee— were permitted. Non-automated retail concepts, including travel convenience, coffee shops, and florists, were included as well. Proposals that contained a portion of Locations offered in the RFP were also accepted.

## FINANCE COMMITTEE MEETING LICENSE AGREEMENT WITH CC VENDING INC. FOR VENDING USES AT VARIOUS NYCT STATIONS, NEW YORK (Cont'd)

A total of four (4) proposals were received for a total of twenty-eight (28) locations at twenty-four (24) of the stations. Upon review of the proposals, MTA Real Estate requested a Best and Final Offer (“BAFO”) from three (3) of the (4) proposers; CC Vending, ESolutions and Breno Donatti. Upon review of the proposal submissions, the MTA will award twenty-four (24) Locations containing twenty-eight (28) Licensed Areas to CC Vending, Inc. in the interest of maximizing guaranteed revenue to the MTA and ultimately activating as many Locations as possible.

The financial proposal and proposed automated retail concept successfully meet the objectives outlined in the RFP. The MTA anticipates the Licensee’s commitment to providing unique high quality automated retail options that will produce an optimal level of service to commuters and passengers.

The Licensee intends to install, operate, and maintain cashless automated vending machines selling various snacks, beverages, pre-packaged food, sundry and electronic items. The products initially offered will be curated based on the Licensee’s most popular selections from similar operations in New York City and will be tested and modified based on consumer preferences. The Licensee, under terms of the agreement, has the ability to add additional vending concepts, such as Just Baked Machines which sell hot and cold prepared meals. Additionally, the Licensee will have the opportunity to add additional automated vending machines at other NYCT stations throughout the course of the Term. All current Locations and Licensed Areas were approved by NYCT, and any future Locations and Licensed Areas will also be subject to NYCT approval.

The Licensee will be converting former low-revenue newsstands into automated vending operations at some of the Locations. Existing newsstands at many of the Locations will be demolished and cleared away as necessary by NYCT and will be delivered to the Licensee in as-is condition. The Licensee will be responsible for all required and any optional improvements, including but not limited to façade design, life safety upgrades and ensuring that all fixtures and appurtenances are ADA compliant. The Licensee anticipates making an initial investment of approximately \$801,528.00 to cover the total cost of improvements across all Locations.

Throughout the term, the Licensee will be responsible for ongoing maintenance and necessary repairs to the Licensed Areas. Timely repairs will be required to keep the Licensed Areas and machines in good working condition. To meet NYCT safety requirements, vending machines will be installed with a front façade effectively inhibiting access from above and behind. Machines will be securely bolted to the ground and shielded by protective glass. Moreover, route personnel will be directed to deliver products as needed, monitor overall security, and track the performance of assets. This will be complemented by regular visits to site locations and support for day-to-day management activities, ensuring the smooth operation and maintenance of these installations. Additionally, the Licensee will be responsible for ensuring quality merchandise, complying with safety, sanitation, business practices, and regulations.

The proposed annual Minimum Annual Guaranteed (“MAG”) compensation is as listed in the table above, with a 14% revenue share on total gross sales over \$1,000,000.00. The Term of the agreement and commencement date of the MAG will be the date upon which the last machine is installed. In the interim, the Licensee will be required to pay compensation as a percentage of gross receipts on every machine activated. The proposed compensation is in line with current market rates based on the sales reports for existing vending tenancies in the MTA system. In addition, should the Licensee secure exclusive branding with other companies, there will be a 20% profit share with NYCT and a \$47,500.00 upfront signing bonus. The Net Present Value (NPV) without improvements for the proposed term calculated at a 6% discount rate for all proposals are as follows:

<b>Proposer Name</b>	<b>NPV w/o Improvements @ 6%</b>
CC Vending Inc.	\$431,767.29
ESolutions	\$143,384.40
Breno Donatti	\$13,340.26
Travel Mobile LLC	\$6,102.36



# Staff Summary

**FINANCE COMMITTEE MEETING  
LICENSE AGREEMENT WITH CC VENDING INC. FOR VENDING USES AT VARIOUS NYCT STATIONS,  
NEW YORK (Cont'd)**

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Pursuant to the RFP, The MTA reserves the right to add or take back Locations and their associated Licensed Areas at their sole discretion at any time, which may require an adjustment to the MAG. As such, any future adjustments may be presented as an Information Item to the MTA Board at a future date.

Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement on behalf of NYCT with CC Vending, Inc. under the above-described terms and conditions.

# **Exhibit A**

## **NYCT Vending RFP Station Offerings**

The MTA reserves the right to add and/or remove additional stations or locations at its sole discretion.

1. South Ferry Station
2. Wall Street Station
3. Canal St Station (Two (2) locations)
4. Prince St Station
5. Chambers St Station (7<sup>th</sup>)
6. Christopher St Station
7. Grand St Station
8. 8 Street – New York University Station (Two (2) locations)
9. 23<sup>rd</sup> St – Broadway Station
10. 23<sup>rd</sup> St – Lexington Av Station (Downtown)
11. 2<sup>nd</sup> Ave Station (F Line)
12. 5<sup>th</sup> Av Station (Two (2) locations)
13. 86<sup>th</sup> St – Broadway Station
14. 86<sup>th</sup> St – Lexington Av Station
15. 96<sup>th</sup> St – Lexington Av Station
16. 116<sup>th</sup> St and Lexington Avenue Station
17. 125<sup>th</sup> St and Lenox Avenue Station
18. Dekalb Av Station
19. Brooklyn Bridge – City Hall Station
20. Atlantic Ave – Barclays Ctr Station
21. Jamaica – 179<sup>th</sup> St Station
22. Flushing – Main St Station (Two (2) locations)
23. Woodhaven Blvd Station
24. 61 – St Woodside Station

# Staff Summary

<b>Subject</b> <b>LICENSE AGREEMENT WITH WELLS FARGO BANK, N.A. FOR ATMS AT 34 ST HERALD SQUARE, 14 ST- UNION SQUARE, GUN HILL ROAD AND JACKSON HEIGHTS – ROOSEVELT AVENUE/74TH ST STATION</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>RAYMOND SMYTH</b>

<b>Date</b> <b>JULY 31, 2024</b>
<b>Vendor Name</b>
<b>Contract Number</b>
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Board Action					
Order	To	Date	Approval	Info	Other
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 New York City Transit (“NYCT”)  
**LICENSEE:** Wells Fargo Bank, N.A. (“Wells Fargo”)  
**LOCATIONS:** 14 St – Union Square Station (2 locations)  
 34 St – Herald Square Station  
 Gun Hill Road Station  
 Jackson Heights – Roosevelt Avenue/74<sup>th</sup> Street Station

**LICENSED AREAS:** Five (5) NYCT designated areas within the Locations

**USE:** Operation and maintenance of automated teller machines (“ATM” s)

**ACTION REQUESTED:** Approval to enter into a license agreement with Wells Fargo

**TERM:** Five (5) years and two (2) three-year option terms

**COMPENSATION:**

License Year	Rent	Escalation
1	\$ 96,000.00	N/A
2	\$ 96,000.00	N/A
3	\$ 96,000.00	N/A
4	\$ 96,000.00	N/A
5	\$ 96,000.00	N/A

## FINANCE COMMITTEE MEETING

### LICENSE AGREEMENT BETWEEN NEW YORK CITY TRANSIT AND WELLS FARGO BANK, N.A. FOR ATMS AT 14 ST – UNION SQUARE STATION, 34 ST – HERALD SQUARE STATION, GUN HILL ROAD STATION, JACKSON HEIGHTS – ROOSEVELT AVENUE/74TH STREET STATION (Cont'd)

#### COMMENTS:

MTA Real Estate issued a Request for Proposals (“RFP”) on April 28, 2023, seeking qualified operators to provide services consisting of furnishing, installing, stocking, maintaining, managing, and operating vending machines at a total of thirty-five (35) locations (individually “Location,” and collectively the “Locations”) within various NYCT stations. The RFP sought proposals for a wide range of automated vending uses, including but not limited to retail merchandise, technology products, health and beauty products, and convenience items. Additionally, food and beverage vending concepts such as fresh food, prepackaged food, and coffee were permitted. Non-automated retail concepts, including travel essentials, coffee shops, and florists, were included as well. Proposals that contained more than one package comprised of multiple Locations offered in the RFP were also accepted.

A total of five (5) proposals were received for four (4) of the Locations, including 14 St – Union Square Station, 34 St – Herald Square Station, Gun Hill Road Station, and Jackson Heights – Roosevelt Avenue/74th Street Station. Upon review of the proposals, MTA Real Estate requested a Best and Final Offer (“BAFO”) from four (4) of the five (5) proposers; Wells Fargo, CC Vending, ESolutions and Breno Donatti. Upon review of the proposal submissions, the MTA will award the Locations to Wells Fargo in the interest of maximizing guaranteed revenue to the MTA and ultimately activating as many Locations as possible. Their financial proposal and proposed ATM concept successfully meet the objectives outlined in the RFP and given their proven history of providing high quality operations as an MTA tenant across multiple agency portfolios, the MTA anticipates the Licensee’s commitment to producing an optimal level of service to commuters and passengers.

The Licensee intends to install, operate, and maintain five (5) ATMs at the aforementioned Locations. The Licensed Areas will be delivered to the Licensee in as-is condition, and the Licensee will be responsible for all required and any optional improvements, including but not limited to fire life safety upgrades and ensuring that all fixtures and appurtenances are ADA compliant.

Throughout the term, the Licensee will be responsible for ongoing maintenance and necessary repairs at the Licensed Areas. Timely repairs, whether routine or extensive, will be required to keep the Licensed Areas and ATMs in good working condition. To meet NYCT requirements, ATM’s will be installed with a front opening at all Locations, effectively inhibiting access from above and behind and be securely bolted to the ground for freestanding locations. Additionally, round-the-clock surveillance will be implemented to ensure their safety and security.

The proposed compensation over the course of a five (5) year term for the Locations combined is as listed in the table above. The Licensee has also requested two (2) additional three (3) year option terms, each including a ten percent (10%) rent increase upon exercise. The Net Present Value (NPV) without improvements for the proposed term is \$404,386.92, calculated at a 6% discount rate. See NPV figures for all proposals listed below:

<b>Proposer Name</b>	<b>NPV w/o Improvements @ 6%</b>
Wells Fargo	\$404,386.92
CC Vending Inc.	\$58,384.40
ESolutions	\$47,797.09
Breno Donatti	\$2,966.85
Travel Mobile LLC	\$6,102.36

Pursuant to the RFP, The MTA reserves the right to request the Licensee to add additional locations throughout the NYCT network or take back Locations at their sole discretion at any time, which may require an adjustment to the compensation. As such, any future adjustments may be presented as an Information Item to the MTA Board at a future date.

Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement on behalf of NYCT with Wells Fargo under the above-described terms and conditions.

# Staff Summary

<b>Subject</b> <b>AMENDMENT OF LEASE WITH GREATER JAMAICA DEVELOPMENT CORP FOR A RELOCATED JAMAICA BUS TERMINAL</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>RAYMOND SMYTH</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	Finance Committee	07/29/24	X		
2	Board	07/31/24	X		

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

**AGENCY:** MTA New York City Transit (“NYCT”) and MTA Bus Company (“MTA Bus”)  
**LESSOR:** Greater Jamaica Development Corp (“GJDC”)  
**LOCATION:** Block 9800, Lot 5, Queens NY  
**PREMISES:** Approximately 84,500 SF lot  
**USE:** Bus terminal in support of NYCT and MTA Bus operations (as well as Nassau County Bus operations operated by Nassau Inter-County Express aka “NICE”)  
**ACTION REQUESTED:** Amendment of terms of Lease with JFP to allow for partial payment of broker commission  
**TERM:** Five (5) years with five (5) one-year options  
**CONSTRUCTION PERIOD RENT:** \$39,001.35 per month (six to nine months)  
**ANNUAL BASE RENT:** \$1,468,016.20 with 2.5% annual increases  
**ADDITIONAL COST:** \$200,000.00

**COMMENTS:**

Jamaica Bus Terminal (“JBT”) is currently located at the intersection of 89th Avenue and Merrick Boulevard in Queens, New York. NYCT, MTA Bus, and NICE Bus) actively conduct operations at this location. The current lease for this property expired in September 2023 and was extended through December 2024. The property was recently sold to a developer and is anticipated to become a mixed-use development. Therefore, an alternative location is required in order to ensure bus operations can continue uninterrupted.

In January 2023, the MTA Board approved a lease for an alternative site for JBT located at 90-01 168<sup>th</sup> Street (Block 9800, Lot 5) in Queens, NY. Subsequently, use of the location as an alternative site was changed. A new bus terminal is planned within the mixed use development on the present site. The lease in Greater Jamaica Development Corp will be temporary.

Throughout lease negotiations, GJDC expressed concerns about the broker commission they would be responsible for approximately \$412,000 for the initial five-year term. The commission customarily paid for by a landlord was not in GJDC pro forma. As such it did not financially plan for it.

# Staff Summary

## FINANCE COMMITTEE MEETING

### AMENDMENT OF LEASE WITH GREATER JAMAICA DEVELOPMENT CORP FOR A RELOCATED JAMAICA BUS TERMINAL (cont'd)

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While the lease is fully negotiated and finalized, GJDC is now requesting, prior to its execution of the lease, financial participation by MTA and Nassau County in the amount of \$200,000, the "Additional Cost", toward the broker commission.

MTA would advance the full \$200,000 with the expectation that, subject to agreement with Nassau County and approval by the Nassau County legislature, MTA would thereafter be reimbursed through the sublease with Nassau County up to \$100,000 of the Additional Cost by amortizing such amount through additional sublease rent over the first five years of the term of the sublease.

Any further delay in the execution of the lease will (i) increase the MTA's costs related to the operation of JBT, including a substantial escalation of rent at the current site through the end of 2024 and (ii) if such delay causes a delay in relocating from the existing location at 89<sup>th</sup> Avenue, subject MTA to potential consequential damages incurred by the current 89<sup>th</sup> Avenue landlord. In addition, the proposed contribution by the MTA (after reimbursement by Nassau County) represents less than 25% of the total broker commission despite MTA's occupancy of approximately 65% of the total bus bays at JBT. There are no available alternative locations that meet the operational requirements of NYCT and MTA Bus. Should bus operations be required to vacate the current site without and this subject Lease not be completed, bus operations would be shifted to the local streets at an estimated cost of \$500,000 per month.

In the interest of finalizing the lease with GJDC and minimizing the financial and operational impacts to the MTA, MTA Real Estate requests authorization to provide the \$200,000 payment to GJDC to reimburse a portion of the broker commission.

# **MTA METRO-NORTH RAILROAD**

# Staff Summary

<b>Subject</b> <b>LEASE AGREEMENT WITH BAGEL TRAIN BREWSTER LLC. FOR RETAIL SPACE AT THE BREWSTER STATION AT 9 MAIN STREET, BREWSTER, 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>
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Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North	07/29/24		X	
2	Finance Committee	07/29/24	X		
3	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")  
**LESSEE:** Bagel Train Brewster LLC ("The Bagel Train")  
**LOCATION:** Brewster Station Building, Brewster, New York ("Station")  
**PREMISES:** Station building totaling approximately 1,450 sf plus 70 SF detached kiosk  
**USE:** Operation of a full-service coffee, bagel, and sandwich shop  
**ACTION REQUESTED:** Authorization to enter into a lease agreement  
**TERM:** Ten (10) years  
**RENT:** \$172,432.74 NPV at 6% for the 10 year term, with 2% annual escalations.

Years	Annual Rent	PSF	Escalation
Year 1	\$21,600.00	\$14.21	--
Year 2	\$22,032.00	\$14.94	2%
Year 3	\$22,472.64	\$14.78	2%
Year 4	\$22,922.09	\$15.08	2%
Year 5	\$23,380.53	\$15.38	2%
Year 6	\$23,848.15	\$15.68	2%
Year 7	\$24,325.11	\$16.00	2%
Year 8	\$24,811.61	\$16.32	2%
Year 9	\$25,307.84	\$16.64	2%
Year 10	\$25,814.00	\$16.98	2%



# Staff Summary

## FINANCE COMMITTEE MEETING

### LEASE AGREEMENT WITH BAGEL TRAIN BREWSTER LLC. FOR RETAIL SPACE AT BREWSTER STATION, 9 MAIN STREET, BREWSTER, NY (Cont'd)

#### COMMENTS:

MTA Real Estate issued a Request For Proposals (“RFP”) dated June 21, 2023, covering one (1) retail station building plus a detached taxi kiosk at the Brewster Station in Brewster, NY. The Station is currently vacant and was previously occupied by the Dining Car at Brewster Station, Inc., and the kiosk was previously occupied by Express Taxi, Inc.

Three (3) proposals were received, and the proposals are summarized below:

<b>Proposer Name</b>	<b>Present Value at 6%</b>
Anna and Pierre’s Cafe	\$213,338.15
Taqueria 3 Stars	\$200,087.13
The Bagel Train	\$172,432.74

MTA Real Estate has conducted a thorough review of all proposals and held interviews with the proposers. While the highest proposal came from Anna and Pierre’s café, they lack experience in operating a coffee shop or any other retail business. Additionally, the principal has not secured funds for the proposed build-out. Similarly, the second highest proposer, Taqueria 3 Stars, has no business plan, no current operating locations, and no demonstrated financial capabilities to cover the premises’ improvements or the ten-year rent payment obligation.

MTA Real Estate found Mr. Matt Camerino and Jac Zadrina of The Bagel Train to be the most compelling overall. Mr. Camerino has over 15 years of experience in the restaurant industry, owning, managing, and operating numerous food and beverage retail locations. Mr. Jac Zadrina, with 30 years of experience in real estate investment, serves as the financial arm of the partnership and an investor in Mr. Camerino’s restaurant ventures. Additionally, Mr. Camerino and Mr. Zadrina currently own and operate two food and beverage establishments in Highland Falls, NY: Highland Social at 8 Schneider Avenue and Grandma’s Bagels and Pizza at 265 Main Street. The lease will allow for a future sublease of the kiosk, at the sole discretion and approval of MTA Real Estate.

Credit and background investigations performed on Mr. Matt Camerino and Mr. Jac Zadrina discovered no evidence of criminal conviction history, or other issues connected with the individuals. Mr. Zadrina has very good credit and has demonstrated sufficient financial resources to successfully complete the required improvements and compensation obligations.

MTA Real Estate obtained an independent appraisal in May 2023 to determine the market value for the retail at the Station and the appraised value was \$26,900.00 per annum. While The Bagel Train was below this appraisal value, it had the best overall proposal including restaurant concept, restaurant experience, and financial capability.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease agreement on behalf of MNR with Bagel Train Brewster LLC for the operation of a full-service café and sandwich shop at the Brewster Station building.

# 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.

# **MTA LONG ISLAND RAIL ROAD**

# Staff Summary

<b>Subject</b> <b>LICENSE AGREEMENT BETWEEN THE LIRR AND CONSOLIDATED EDISON FOR VACANT LAND ON LIRR PROPERTY ADJACENT TO THE FREIGHT LINE IN BROOKLYN, 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>XAVIER CARRERA</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	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 Long Island Rail Road (“LIRR”)  
**LICENSEE:** Consolidated Edison (“Con Edison”)  
**LOCATION:** Vacant land adjacent to the LIRR freight line, at 789 E 91<sup>st</sup> Street, Brooklyn, NY  
**LICENSED AREA:** Approximately eight thousand square (8,000) feet.  
**USE:** Storage, staging, and mobile office space for the support of Con Edison’s new electrical substation.  
**TERM:** Five (5) years with three (3) one (1) year renewal options, totaling an eight (8) year term.  
**ACTION REQUESTED:** Authorization to enter into a license for the Licensed Area  
**COMPENSATION:** \$5.00 per square foot OR \$40,000 per year and a 10% escalation after the fifth year.

**COMMENTS:**

Con Edison purchased property located at 789 East 91st Street in Brooklyn, New York, which Con Edison intends to demolish in order to build a new electrical substation on the lot. Con Edison approached the LIRR and MTA Real Estate requesting the use of the LIRR lot adjacent to 789 East 91st Street. The lot is leased to the New York and Atlantic Railroad (“NYAR”) and is currently vacant and not in use by either the LIRR or NYAR. Con Edison plans to use the lot for storage, staging, and mobile office space for the support of the construction of Con Edison’s new electrical substation. The new electrical substation construction is expected to be completed in approximately five to eight years.

The proposed compensation falls within the competitive range which is \$2.50 to \$5.00 per square foot as determined by an independent Broker’s Opinion of Value.

Based on the foregoing, MTA Real Estate requests authorization to enter into a license, on behalf of the LIRR, with Con Edison under the above-described terms and conditions.