

INFORMATION ITEMS

Staff Summary

Subject FIFTH MODIFICATION TO THE OPTION AGREEMENT BETWEEN B&T AND THE CITY OF NEW YORK FOR PROPERTY INTERESTS NECESSARY TO FACILITATE IMPROVEMENTS TO THE ROBERT F. KENNEDY BRIDGE AND ITS APPROACHES ON RANDALL’S ISLAND, NY
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name GARRETT BURGER

Date NOVEMBER 20, 2024
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	11/18/24		X	
2	Board	11/20/24		X	

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

AGENCY: MTA Bridges & Tunnels (“B&T”)

OPTIONER: The City of New York (“the City”), acting through its Department of Parks and Recreation (“Parks”)

LOCATION: Randall’s Island, New York, NY

PREMISES: Portions of New York County Block 1819, Lot 2023 and portions of New York County Block 1819, Lot 10

USE: Improvements to the Robert F. Kennedy (“RFK”) Bridge and its approaches on Randall’s Island

TERM: Three (3) Years

COMPENSATION None

COMMENTS:

On July 30, 2024, B&T executed the Fifth Modification to its Option Agreement with the City for the Premises, which is needed to facilitate improvements to the RFK Bridge and its approaches on Randall’s Island. The sole purpose of the Fifth Modification was to extend the agreements term an additional three (3) years to January 1, 2028 in order to provide sufficient time to negotiate and execute another, more substantial modification that will include yet to-be-determined adjustments to the property interests required to facilitate B&T’s ongoing improvements to the RFK Bridge and its approaches on Randall’s Island.

The City and B&T first entered into the original Option Agreement on June 6, 2001, and have now executed five modifications since that time. Among other additions and changes, the Second Modification revised the configuration of

FINANCE COMMITTEE MEETING

FIFTH MODIFICATION TO THE OPTION AGREEMENT BETWEEN B&T AND THE CITY OF NEW YORK FOR PROPERTY INTERESTS NECESSARY TO FACILITATE IMPROVEMENTS TO THE ROBERT F. KENNEDY BRIDGE AND ITS APPROACHES ON RANDALL'S ISLAND, NY (Cont'd)

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various easement areas and option properties identified in the original Option Agreement. As for the other modifications, the third simply provided Parks additional time to vacate a property required for B&T's improvements, and the fourth allowed the New York City Police Department to continue occupying a property under a license and made various other changes to property descriptions and conditions of transfer for certain option properties. The only change made in the Fifth Modification was to the agreement's term.

Pursuant to the Board-approved Real Estate Department Policy "Agreements under \$100K where the MTA is the grantee" dated June 27, 2023, MTA Real Estate is authorized to enter into a license, lease or acquire property rights in support of MTA capital projects or ongoing operations when it is estimated that MTA's aggregate obligation to pay compensation to the licensor or grantor is less than \$100,000 over the term. This Fifth Modification is in support of continued operations for B&T and at no cost to the MTA.

MTA Legal drafted the Fifth Modification and approved as to form. The agreement was fully executed on July 30, 2024.

Staff Summary

Subject ACQUISITION OF TEMPORARY AND PERMANENT EASEMENTS FROM THE CITY OF NEW YORK- SECOND AVENUE SUBWAY – PHASE 2
Department TRANSIT-ORIENTED DEVELOPMENT
Department Head Name ROBERT PALEY
Department Head Signature
Project Manager Name ROBAIR REICHENSTEIN

Date NOVEMBER 20, 2024
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	11/18/24		X	
2	Board	11/20/24		x	

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

AGENCY: Metropolitan Transportation Authority (“MTA”)

GRANTOR: The City of New York (the “City”)

LOCATION:

- 125th Street Branch of the New York Public Library located as 224-226 East 125th Street; Manhattan Block 1789, Lot 37 (“NYPL Property”)
- New York City Public School 96 located at 206-244 E. 120th St; Manhattan Block 1784, Lot 12 (“PS 96 Property”)
- Approach to Robert F Kennedy Bridge, located at the northwest corner of Second Avenue and East 124th Street; Manhattan Block 1801, Lot 1 (“RFK Approach Property”)

ACTIVITY: Acquisition of temporary and/or permanent easements (individually, a “Temporary Easement” or “Permanent Easement”, and collectively, “Easements”) for volumes of subsurface space beneath the NYPL Property, the PS 96 Property and the RFK Approach Property (collectively, the “Subject Properties”) required by MTA for the construction and operation of subway tunnels and ancillary facilities associated with Phase 2 of the Second Avenue Subway Project

REQUIRED PROPERTY INTERESTS:

- NYPL Property:**
 - Temporary Easement for ground improvement work in advance of the tunnel boring machine, extending vertically from the base of the NYPL Property’s building foundation to a depth of 134.5 feet below ground level.
 - Permanent Easement for the southbound subway tunnel comprised of 163 square feet, extending vertically from a depth of 81.00 feet below ground level to 124.5 feet below ground level.
- PS96 Property:** Temporary Easement for support of excavation of the ancillary

FINANCE COMMITTEE MEETING

ACQUISITION OF EASEMENTS FOR SAS PHASE 2 FROM THE CITY OF NEW YORK (Cont'd)

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building to be constructed adjacent to the new 116th Station, comprised of 2,500 square feet, extending vertically from the base of the PS 96 Property's building foundation to a depth of 103 feet below ground level.

3.RFK Approach Property:

- A. Temporary Easement for ground improvement work in advance of the tunnel boring machine, extending vertically from ground level to a depth of 113 feet below ground level.
- B. Permanent Easement for the northbound subway tunnel extending vertically from 50 feet below ground level to 92.7 feet below ground level.

COMPENSATION:

- 1. **NYPL Property:**
 - A. Temporary Easement: \$51,000 for a 3-year period, extendable at MTA's option at the rate of \$17,000 per year
 - B. Permanent Easement: \$7,000
- 2. **PS96 Property:** None
- 3. **RFK Approach Property:** None

COMMENTS:

MTA requires Temporary and/or Permanent Easements at the Subject Properties owned by the City for the performance of the Contract 2 work ("Contract 2 Work") as part of Phase 2 of the Second Avenue Subway Project. The Contract 2 Work is critical for the completion of the Second Avenue Subway as it includes the construction of the "launch box" for the tunnel boring machine(s), and the construction of bored subway tunnels starting at 120th Street and Second Avenue and terminating at the storage tracks located at 125th Street between Malcolm X Blvd. and Adam Clayton Powell Jr. Blvd. The Temporary and Permanent Easements beneath the NYPL Property and the RFK Approach Property will facilitate the construction of the subterranean tunnels as the tunnel boring machine traverses the "curve" from the 2nd Avenue to the 125th Street roadbeds, and the Temporary Easement at the PS 96 Property will allow for support of excavation of the "launch box" to be constructed adjacent to the PS 96 school building.

The values of the Temporary and Permanent Easements required at the NYPL Property were determined by an appraisal and review-appraisal, and such valuations were accepted by the City. Pursuant to Board Policy #34 (a copy which is attached for reference), acquisitions of property interests in support of capital projects for which the estimated aggregate compensation (on a present value basis) is less than \$100,000 may be obtained without prior Board approval. The foregoing Board Policy applies to the acquisition of the Temporary and Permanent Easements at the NYPL Property, where the estimated aggregate purchase price is \$58,000. The City agreed not to seek consideration for the Temporary Easement to be obtained at the PS 96 Property or the Temporary and Permanent Easements to be obtained at the RFK Approach Property.

Staff Summary

Subject MODIFICATION TO EXISTING REAL ESTATE POLICY
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name ARTURO ESPINOZA

Date JUNE 27, 2023
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	06/26/23	X		
2	Board	06/27/23	X		

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

AGENCY: All-agency

COMMENTS:

A policy permitting MTA Real Estate (“MTARE”) to license, lease or acquire property rights in support of MTA capital projects or ongoing operations when it is reasonably estimated that MTA’s aggregate obligation to pay compensation or reimbursement to the licensor or grantor will be less than \$15,000 (on a present value basis) over the term was adopted September 21, 2015.

Approximately eight years later, instances have arisen where it was difficult to keep the compensation within the current \$15,000 limit. MTARE requests Board authorization to increase the compensation or reimbursement amount to \$100,000.

BE IT RESOLVED that the Board hereby authorizes the Chief Real Estate Transactions and Operations Officer of MTA to negotiate and enter into agreements with third parties on behalf of MTA and its agencies for the acquisition of property rights through lease, license or other form of acquisition without prior Board approval, subject to the following conditions:

- Such acquisition shall be in support of MTA capital projects or ongoing operations.
- It shall be reasonably estimated that MTA’s aggregate compensation or cost reimbursement to the licensor or grantor shall be less than \$100,000 (on a present value basis) over the term.
- Prior to the execution of any such agreement, (i) it will be approved by the MTA Legal Department and (ii) MTA will comply with the applicable requirements of the State Environmental Quality Review Act (SEQRA).
- MTARE will notify the Board of the terms of the agreement subsequent to the execution of the agreement.