

Staff Summary

Subject CONVEYANCE OF PROPERTY INTERESTS IN THE WAKEFIELD SECTION OF THE BRONX TO FACILITATE ADJACENT TRANSIT-ORIENTED DEVELOPMENT
Department TRANSIT ORIENTED DEVELOPMENT
Department Head Name ROBERT PALEY
Department Head Signature
Project Manager Name NICHOLAS ROBERTS

Date DECEMBER 18, 2024
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North	12/18/24		X	
2	Finance Committee	12/16/24	X		
3.	Board	12/18/24	X		

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

AGENCY: Metropolitan Transportation Authority (“MTA”) and Metro-North Railroad (“MNR”)

GRANTEE: Webster Leasing, LLC (“Webster Leasing”), a New York limited liability company, owned and controlled by Lawrence Blinn, PJ Mazzucca, Kevin Blinn and Greg Blinn.

LOCATION: Bullard Avenue and East 241st Street, The Bronx, New York - Block 5064, Lots 10 and 1 and Block 5101, Lots 10 and 41 (collectively, the “MTA Property”).

ACTIVITY: Sale in fee of a ± 62,650 square foot portion of the MTA Property (the “Fee Parcels”), grant of (i) a permanent, non-exclusive access easement over and across a portion of the MTA Property (the “Access Easement”), and (ii) a permanent, subsurface utility easement beneath a portion of the MTA Property (the “Utility Easement”) (collectively, the “MTA Property Interests”), and acquisition by MTA for the benefit of the MTA Property of a non-exclusive permanent perpetual access easement beneath or through the Project (as defined below) (the “MTA Access Easement”).

ACTION REQUESTED: Authorization to (i) conditionally designate Webster Leasing as the successful proposer under the RFP (as defined below), and (ii) negotiate and enter into a land development and disposition agreement (“LDDA”) with Webster Leasing substantially upon the terms and conditions set forth herein, to which the forms of the documents necessary or appropriate for the sale or transfer of the MTA Property Interests to Webster Leasing and the reservation or acquisition of the MTA Access Easement will be attached (the “Transaction Documents”). Note: The entry into the Transaction Documents themselves will be subject to further MTA/MNR Board action as referenced below.

COMPENSATION: \$14,000,000 for the MTA Property Interests, together with “in-kind” contributions in the form of the value of the MTA Access Easement and the construction and maintenance of the Access Drive (as defined below) through or beneath the completed Project and improvements to the existing access driveway located at the MTA Property.

COMMENTS:

The MTA Property is owned in fee by MTA and located in the Wakefield section of The Bronx, directly south of The Bronx/Mount Vernon border and in immediate proximity to MNR’s Wakefield Station. The MTA Property is bisected from above by an elevated portion of 241st Street that passes over the MTA Property, the rights of way of the Harlem and New

FINANCE COMMITTEE MEETING

CONVEYANCE OF PROPERTY INTERESTS IN THE WAKEFIELD SECTION OF THE BRONX TO FACILITATE ADJACENT TRANSIT-ORIENTED DEVELOPMENT (Cont'd.)

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Haven lines, and surrounding surface streets. The MTA Property is improved with trackage and equipment critical to the operation of MNR's Harlem and New Haven lines and paved areas used by MNR to gain access to these facilities. The portions of the MTA Property identified as the Fee Parcels are sandwiched between two properties owned by Webster Leasing: Bronx Block 5064, Lot 78, and Bronx Block 5064, Lot 85 (collectively, the "Development Parcels"). The Development Parcels are currently zoned for industrial use, as is the entirety of the MTA Property. Webster Leasing, in concert with the relevant City agencies, is actively advancing an ambitious proposal to develop the Development Parcels as a 1,200-unit, all-affordable, multifamily housing project (the "Project"). As part of the Project, Webster Leasing has proposed rezoning the Development Parcels and the Fee Parcels and combining them into a developable assemblage (the "Development Site"). Webster Leasing has also proposed utilizing portions of the MTA Property to gain vehicular and utility access to the Development Site. To assure MTA/MNR's continued access to the remaining portion of the MTA Property, including 24/7 vehicular access to the trackage and yard located at the junction of the Harlem and New Haven lines to the south of the Development Site, Webster Leasing has proposed to construct and maintain for MTA/MNR's use a covered access drive (the "Access Drive") through the completed Project within the MTA Access Easement area.

MTA Transit Oriented Development ("TOD") and MNR engaged in extensive discussions with Webster Leasing regarding the Project, including the location and design of the Access Drive, to ensure that the Project would not adversely impact MNR's current operation of the Harlem and New Haven lines or prevent MNR from improving or replacing existing facilities located at the MTA Property. TOD subsequently issued a request for proposals ("RFP") for the disposition of the MTA Property Interests. Webster Leasing was the sole respondent to the RFP. In its response to the RFP, Webster Leasing offered to pay a total of \$4,150,000 for the MTA Property Interests, as follows: \$3,150,000 for the Fee Parcels, \$750,000 for the Access Easement, and \$250,000 for the Utility Easement. After extensive negotiations with Webster Leasing regarding appraisal methodology and assumptions, TOD and Webster Leasing conditionally agreed to a "Total Purchase Price" of \$14,000,000 for the MTA Property Interests, as follows: \$13,000,000 for the Fee Parcels, \$750,000 for the Access Easement, and \$250,000 for the Utility Easement. The Total Purchase Price is supported by an independent appraisal of the MTA Property Interests obtained by TOD. Additionally, as mentioned above, Webster Leasing has agreed to grant to MTA the MTA Access Easement and, at its own expense, construct and maintain the Access Drive through the completed Project for MTA/MNR's non-exclusive use.

Webster Leasing has proposed to develop the Project in four phases as funding for the Project becomes available through allocations of affordable housing funds. For Phase 1 of the Project, Webster Leasing has proposed to acquire approximately 40% of the area comprising the Fee Parcels, as well as the Access Easement and the Utility Easement needed for the Project. The remaining portions of the Fee Parcels will be acquired by Webster Leasing in three additional phases. The Purchase Price will be payable as follows: \$8,100,000, at the closing on Phase 1 of the Project; \$2,700,000 at the closing on Phase 2 of the Project; \$1,850,000, at the closing on Phase 3 of the Project, and; \$1,350,000 at the closing on Phase 4 of the Project. Webster Leasing will be required to complete portions of the Access Drive as the work progresses on each phase of the Project and as a condition of closing on the next phase of the Project. Lastly, Webster Leasing will be required to ensure that MTA/MNR have unimpaired 24/7 access to the trackage and equipment located at the south end of the MTA Property at all times during the construction of the Project and thereafter.

Based on the foregoing, TOD requests Board authorization to (i) conditionally designate Webster Leasing as the successful proposer to the RFP (ii) negotiate and enter into the LDDA with Webster Leasing, to which the forms of Transaction documents will be attached, upon the terms and conditions set forth above and such other terms or conditions as the Chief Development Officer or his designee deems necessary or appropriate, provided that the LDDA by its terms will be subject to further Board action approving the transaction and authorizing the execution and delivery of the Transaction Documents attached to the LDDA following, and conditioned upon, compliance by MTA and MNR with SEQRA as it relates to the sale or transfer of the MTA Property Interests and the acquisition of the MTA Access Easement, including the adoption of SEQRA findings by the MTA/MNR Board in connection therewith.