



**Metropolitan Transportation Authority**

# **Capital Construction, Planning and Real Estate Committee Meeting**

**Volume I – Capital Construction and Planning**

## **December 2009**

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### **Committee Members**

N. Shevell, Chair

A. Albert

N. Brown

D. Cecil

D. Frasca

J. Kay

M. Lebow

S. Metzger

N. Seabrook

J. Sedore, Jr.

C. Wortendyke



## MEETING AGENDA

### CAPITAL CONSTRUCTION, PLANNING AND REAL ESTATE COMMITTEE

Volume I – Capital Construction and Planning

Wednesday, December 9, 2009, 11:00AM  
347 Madison Avenue  
Fifth Floor Board Room  
New York, NY

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#### AGENDA ITEMS

#### Page

#### PUBLIC COMMENT PERIOD FOR MTACC, PLANNING AND REAL ESTATE COMMITTEE

- |   |    |
|---|----|
| 1. APPROVAL OF MINUTES – November 9, 2009 MEETING   | 1  |
| 2. MTACC AND PLANNING WORKPLAN  | 7  |
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| Amendment of the Design Work and Utility Relocations Agreement with<br>415 Madison Avenue for an Entrance to the Future LIRR Concourse<br>as Part of the East Side Access Project |    |

2010 Final Proposed Budget

Date of next meeting: Tuesday, January 19, 2010, 11:00AM



## **APPROVAL OF MINUTES**

**MINUTES OF THE MEETING**  
**MTA CAPITAL CONSTRUCTION, PLANNING & REAL ESTATE COMMITTEE**  
**November 9, 2009**  
**347 Madison Avenue**  
**New York, New York**  
**11:00a.m.**

The following MTACC, Planning and Real Estate Committee members attended.

Hon. Nancy Shevell, Committee Chair  
Hon. Andrew Albert  
Hon. Norman Brown  
Hon. Donald Cecil  
Hon. Jeffrey Kay  
Hon. Mark Lebow  
Hon. Norman Seabrook  
Hon. Carl Wortendyke

The following MTACC, Planning and Real Estate Committee members did not attend.

Hon. Doreen Frasca  
Hon. Susan Metzger  
Hon. James Sedore

The following MTA Capital Construction staff attended.

Michael Horodniceanu  
Joseph Trainor  
Anthony D'Amico  
Veronique Hakim  
Raymond Schaeffer  
Anthony D'Amico

The following MTA Headquarters staff attended.

William Wheeler  
Jeff Rosen  
Michael Bader  
Nancy Marshall  
Allen LoGalbo  
Prescott Vann  
Sheila Antman

Note: Board member Robert Bickford also attended the meeting.

\* \* \*

Ms. Shevell called the November 9, 2009 meeting of the MTA Capital Construction, Planning and Real Estate Committee to order at 11:00 a.m.

Public Speakers

There were no speakers in the public comments portion of the meeting

Meeting Minutes

Upon motion duly made and seconded, the MTA Capital Construction, Planning and Real Estate Committee approved the minutes to the previous meeting held on October 26, 2009.

### Committee Work Plan

There were no changes to the committee work plan.

### Project Status Reports

Mr. Horodniceanu reported on the status of the projects and showed slides to illustrate the work at several sites.

Reporting on the Fulton Street Transit Center, Mr. Horodniceanu stated the foundation contractor began placing the preparatory concrete slab for the Transit Center foundation in October, and the final slab is scheduled to be completed in mid-January. The first construction barriers for the A/C Mezzanine Reconstruction and J/M/Z Vertical Circulation contract were installed in October. The 4/5 Station Rehabilitation and Dey Street Entrance Building Finishes contractor began preconstruction activities and will be fully mobilized at the site in December. The Transit Center Building contract package is scheduled to be ready for procurement in mid-January with the goal to award the contract ahead of schedule in the summer of 2010. Finally, the rehabilitation of the R/W Cortlandt Street Station northbound platform continues to progress on schedule to be ready for customer service by the end of this year. Mr. Horodniceanu noted that the schedules for the remaining projects were slightly ahead of the projections.

Turning to the 7 Line Extension, a significant milestone was reached on October 30 when the first Tunnel Boring Machine (TBM) broke through the southern wall of the 34<sup>th</sup> Street Station cavern. The second TBM is expected to break through in early December. By the end of October, over 1,800 feet of tunnel, or 19 percent of the total planned length, had been mined. Excavation and underpinning also continue on the lower level of the 8<sup>th</sup> Avenue subway and the existing tail tracks at Times Square. Restoration of the portion of 11<sup>th</sup> Avenue on which the ground freeze equipment was located is now complete.

With respect to the Second Avenue Subway, Mr. Horodniceanu reported that controlled blasting in the TBM launch box was successfully tested on November 4. The Department of Buildings and the Fire Department have given approval to continue the blasting, which is expected to continue for two months. Preparatory work is now underway for the scheduled demolition of Century Lumber Yard later this month.

On October 22, the MTA held an industry outreach meeting that drew representatives from over 30 firms to discuss the 72<sup>nd</sup> Street Station Cavern and G3/G4 Tunnels heavy civil/structural construction work. The RFP for that project is scheduled to be issued in November. Mr. Horodniceanu also announced that the Federal Transit Administration (FTA) issued a Finding of No Significant Impact (FONSI) on the Environmental Assessment for the proposed design changes to entrances at both the 72<sup>nd</sup> and 86<sup>th</sup> Street Stations. Receipt of the FONSI allows MTACC to proceed with final design.

The MTA continues to work with the FTA on the Enterprise Level Project Execution Plans for both the Second Avenue Subway and East Side Access projects. These plans are intended to incorporate strategies for risk mitigation.

On the East Side Access project, kickoff meetings were held for the 245 Park Avenue Entrance/44<sup>th</sup> Street Vent Facility contract and Queens Bored Tunnels and Structures project. The contract for the 50<sup>th</sup> Street Vent Facility is scheduled for award in December to Halmar Construction, which submitted the lowest of the nine bids received for the work. At the site of the future LIRR concourse below Grand Central Terminal, the first ventilation shaft has been constructed in Madison Yard, connecting existing space with the newly mined caverns below.

### Procurements

Mr. Kay noted that the construction management consultant for the Fulton Street Transit Center had assisted in the development of the project's previous procurement packaging that failed to draw competitive bids. Ms. Hakim stated that the repackaging decision had been based on what a bid analysis found was unprecedented profit and mark-ups. She also noted that the cost for the additional work is based on rates established in the original contract.

Upon motion duly made and seconded, the MTA Capital Construction Committee approved the following procurement items.

- A modification to the Fulton Street Transit Center construction management services contract with Parsons Brinckerhoff Quade & Douglas and Bovis Lend Lease, JV
- A modification to the Fulton Street Transit Center design services contract with Ove Arup & Partners Consulting Engineers PC
- Award of the East Side Access Northern Boulevard Crossing contract, procured through the competitive request for proposals process, to Schiavone/Kiewit, JV.

### Committee Charter

Upon motion duly made and seconded, the MTA Capital Construction Committee approved the amended Charter

### Presentation: Trends & Forecasts of Capital & Administrative Workloads

Mr. D'Amico presented the annual update of MTACC's administrative costs, which projects a cumulative savings of approximately \$8 million for the 2005-2009 Capital Plan period. This surplus is critical and will be used to pay administrative costs for the first quarter 2010 in the absence of an approved 2010-2014 Capital Program by the Capital Program Review Board (CPRB) in Albany.

Mr. D'Amico used graphs to illustrate the exponential increase in MTACC's construction activity over the next two years. The growth is based on the number and value of contracts in place and planned for award in the mega-project schedules. The value of contracts being managed will increase from \$4.904 billion in 2009 to \$6.457 billion in 2010, an increase of 31.7 percent. In 2011, the value of the work underway will go up to \$9.402 billion, an increase of 45.6 percent. Actual construction cash flow, as payments to the contractors, is projected to increase 46.2 percent from 2009 to 2010 and 5.5 percent the next year. Under these projections, cash flow is projected to increase from \$874 million in 2007 to \$2.610 billion in 2011, an increase of 198.6 percent over that time.

With all the additional construction work, the number of contractor employees is expected to increase 17.7 percent from 2009 to 2010 and 34.6 percent more by 2011. There will be a slight increase in consultant construction managers while the core Capital Construction staff and those matrixed from other agencies will remain about the same. The current construction administration staff is approximately 136 employees which should increase to the quota level of 150.

The committee members discussed the allocation of the \$8 million of Capital Program savings.

### Volume II – Real Estate Items

Mr. Rosen discussed the new guidelines for leasing space at Grand Central Terminal. He acknowledged the support and assistance of Ms. Marshall and the consultants Jones Lang

LaSalle and Williams Jackson Ewing, Ms. Kleinbaum MTA Executive Deputy Director Administration, and the MTA Legal Department.

Mr. Rosen stated that the objective of the leasing program is to maximize revenues from commercial space at Grand Central Terminal, taken as a whole over time, while providing for an appropriate mix of goods and services for commuters and other visitors and maintaining an overall level of quality commensurate with the Terminal's status as a landmark and great public space. To ensure the best mix of goods and services, the MTA will reply principally on use restrictions that will be clearly identified and set forth in the Requests for Proposals and design guidelines and rules and regulations that will be referenced in the Requests for Proposals. Neither the Public Authorities Accountability Act nor common sense dictates that the MTA select the perspective tenant who provides the highest guaranteed rent for a particular space. The economic benefit to the MTA comes in two forms: a direct benefit in the form of guaranteed minimum rent and anticipated percentage rent and indirect benefits in the ability of prospective tenants to attract other high quality prospective tenants. However, the guidelines establish a rebuttable presumption that the responsive and responsible prospective tenant proposing the highest guaranteed rent should be selected.

Mr. Cecil asked how the new guidelines differed from the previous ones. Mr. Rosen responded that there will be greater clarity from staff in its recommendations to the Board regarding subjective selection criteria. In addition, it is established that no more than 30% of the evaluation score be for indirect benefits. These guidelines are for the long-term, non-cancelable leases in Grand Central. Licenses are covered by separate, existing procedures.

Mr. Seabrook asked for the names of the selection committee members, which Mr. Rosen said he would supply.

Upon motion duly made and seconded, the MTA Capital Construction, Planning and Real Estate Committee recommended the following item be moved to the full Board for approval: the Guidelines for Selection of Tenants for Grand Central Terminal.

The Committee discussed the proposed tenancy of the retail space MKT-15 in Grand Central Terminal, for which a new RFP will be issued, and the proposed lease agreement for the Yorkville Tennis Club. The Committee also discussed a proposed license agreement with Standard Parking Corporation for MTA Metro-North employee parking at the Yankees/153<sup>rd</sup> Street Station and decided not to vote on the item.

Upon motion duly made and seconded, the MTA Capital Construction, Planning and Real Estate Committee recommended the following item be moved to the full Board for approval: acquisition of property from George and Kimberly Grieco in the hamlet of Stormville, Town of East Fishkill, Dutchess County, New York for the MTA Police Department K-9 training facility.

Upon motion duly made and seconded, the MTA Capital Construction, Planning and Real Estate Committee recommended the following item be moved to the full Board for approval: an amendment to extend the term of the license agreement with Putnam County for the construction, operation and maintenance of a pedestrian bike path in the Maybrook-Beacon rail line right-of-way, Putnam County, New York.

Upon motion duly made and seconded, the MTA Capital Construction, Planning and Real Estate Committee recommended the following item be moved to the full Board for approval: a lease agreement with a limited liability company to be formed by Yorkville Tennis Club, LLC for the operation of a tennis club on the fourth floor of Hall D, Grand Central Terminal, New York. Mr. Kay voted against this item.

Upon motion duly made and seconded, the MTA Capital Construction, Planning and Real Estate Committee recommended the following item be moved to the full Board for approval: a lease



agreement with JJ Penn LLC, d/b/a Jamba Juice, for the sale of food and non-alcoholic beverages in Retail Space 9A and the use of storage space D, LIRR Level A, Penn Station, New York.

Upon motion duly made and seconded, the MTA Capital Construction, Planning and Real Estate Committee recommended the following item be moved to the full Board for approval: a license agreement with Palmetto Hospitality of Garden City II, LLC for the removal of debris, landscaping and replacement of fencing adjacent to a new Hyatt Hotel on the non-operating Roosevelt Spur, of the LIRR Central Branch right of way, Garden City, New York.

Real Estate Information Items

- a. Status report on month-to-month licenses
- b. Status report on agreements entered into directly by the Real Estate Department
- c. Status report on property acquisition and other transactions involving New York City
- d. Status report on Grand Central Terminal Vanderbilt Hall events
- e. Status report on Grand Central Terminal Graybar Passage retail kiosks

Adjournment

Upon motion duly made and seconded, Ms. Shevell adjourned the November 9, 2009 meeting of the Capital Construction, Planning and Real Estate meeting at 12:10 p.m.

Respectfully submitted,

Miriam Cukier  
Secretary



## **MTACC AND PLANNING WORKPLAN**

# MTA Capital Construction and Planning - Work Plan

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## I. RECURRING AGENDA ITEMS

### Responsibility

Approval of Minutes  
Committee Work Plan  
Project Status Reports  
Procurements (if any)  
Action Items (if any)

Committee Chair & Members  
Committee Chair & Members  
President  
President or Gen. Counsel  
As listed

## II. SPECIFIC AGENDA ITEMS

### Responsibility

### December 2009

2010 Final Proposed Budget

President

### January 2010

Review of the 2010 Work Plan  
Security Program Update (Executive Session)

Committee Chair & Members  
President & MTA Deputy  
Exec. Director of Security

### February 2010

Preliminary Review of 2009 Budget Results  
Adopted Budget/Financial Plan 2010-2013

President and CFO  
President and CFO

### March 2010

Security Program Update (Executive Session)

President & MTA Deputy  
Exec. Director of Security

### April 2010

Final 2009 Budget Results

President and CFO

### May 2010

Security Program Update (Executive Session)

President & MTA Deputy  
Exec. Director of Security

### June 2010

### July 2010

Security Program Update (Executive Session)

President & MTA Deputy  
Exec. Director of Security

### September 2010

2011 Preliminary Budget  
Security Program Update (Executive Session)

President and CFO  
President & MTA Deputy  
Exec. Director of Security

### October 2010

2011 Preliminary Budget

President and CFO

### November 2010

2011 Preliminary Budget  
Review Committee Charter  
Security Program Update (Executive Session)

President and CFO  
Committee Chair & Members  
President & MTA Deputy  
Exec. Director of Security

# **MTA Capital Construction and Planning - Work Plan**

## **Detailed Summary**

### **I. RECURRING**

#### **Approval of Minutes**

Approval of the official proceedings of the previous month's Committee meeting.

#### **MTACC and Planning - Work Plan**

A monthly update of any edits and/or additions to the work plan.

#### **Project Status Reports**

Monthly update on the status of each construction project and contracts being managed by MTA Capital Construction.

#### **Procurements**

Procurement action items requiring Board approval and items for Committee and Board information. Non-competitive items will be listed first, followed by the competitive items and requests for ratifications. The list will identify items that require a 2/3<sup>rd</sup>-vote of the Board for approval.

#### **Action Items**

Individual items that require Board approval.

## **II. SPECIFIC AGENDA ITEMS**

### **DECEMBER 2009**

#### 2010 Final Proposed Budget

Committee will recommend action to the Board on the Final Proposed Budget for 2010.

### **JANUARY 2010**

#### Review of the 2010 Work Plan

Committee will review the 2010 MTA Capital Construction Committee Work Plan.

#### Security Program Update

Update on the progress of the All-Agency MTA Security Program (Executive Session).

### **FEBRUARY 2010**

#### Preliminary Review of 2009 Operating Results

Brief review of Agency's 2009 Budget results.

#### Adopted Budget/Financial Plan 2010-2013

MTA Capital Construction will present its revised 2010-2013 Financial Plan. Plan will reflect the 2010 Adopted Budget and an updated Financial Plan for 2010-2013 reflecting the out-year impact of any changes incorporated into the 2010 Adopted Budget.

### **MARCH 2010**

#### Security Program Update

Update on the progress of the All-Agency MTA Security Program (Executive Session).

### **APRIL 2010**

#### 2009 Budget Results

Review of the prior year's budget results and their implications for current and future budget performance.

### **MAY 2010**

#### Security Program Update

Update on the progress of the All-Agency MTA Security Program (Executive Session).

### **JUNE 2010**

### **JULY 2010**

#### Security Program Update

Update on the progress of the All-Agency MTA Security Program (Executive Session).

## **SEPTEMBER 2010**

### 2011 Preliminary Budget

Public comment will be accepted on the 2011 Preliminary Budget.

### Security Program Update

Update on the progress of the All-Agency MTA Security Program (Executive Session).

## **OCTOBER 2010**

### 2011 Preliminary Budget

Public comment will be accepted on the 2011 Preliminary Budget.

## **NOVEMBER 2010**

### 2011 Preliminary Budget

Public comment will be accepted on the 2011 Preliminary Budget.

### Review Committee Charter

The Committee will review its charter in preparation for submission to the Board in December.

### Security Program Update

Update on the progress of the All-Agency MTA Security Program (Executive Session).





## **MTACC MONTHLY PROJECT REPORTS:**

- **FULTON STREET TRANSIT CENTER**
- **7 LINE WEST EXTENSION**
- **SECOND AVENUE SUBWAY**
- **EAST SIDE ACCESS**

## MTA CAPITAL CONSTRUCTION PROJECT UPDATE

### Fulton Street Transit Center

#### Project Description

MTA Capital Construction is managing construction of the Fulton Street Transit Center on Broadway between Fulton and John Streets. The investment will tie together and improve access to the 4/5, A/C, J/M/Z, 2/3, R/W, 1 and E subway lines, PATH services, and World Financial Center ferry services. The work includes construction of a concourse under Dey Street to link the Transit Center with the new PATH Station and the rest of the World Trade Center site.

#### Budget and Estimate at Completion (EAC)

|                           | <u>Budget</u>           | <u>Last Reported</u><br><u>EAC</u> | <u>Current Month</u><br><u>EAC</u> | <u>Expenditures</u>   |
|---------------------------|-------------------------|------------------------------------|------------------------------------|-----------------------|
| Design                    | \$ 110,600,000          | \$ 110,600,000                     | \$ 110,600,000                     | \$ 94,849,717         |
| Construction              | 965,800,000             | 965,800,000                        | 965,800,000                        | 281,177,966           |
| Construction Management   | 102,700,000             | 102,700,000                        | 102,700,000                        | 32,483,143            |
| Real Estate               | 220,900,000             | 220,900,000                        | 220,900,000                        | 167,536,072           |
| <b>Total Project Cost</b> | <b>\$ 1,400,000,000</b> | <b>\$ 1,400,000,000</b>            | <b>\$ 1,400,000,000</b>            | <b>\$ 576,046,897</b> |

#### Major Milestones and Forecasts

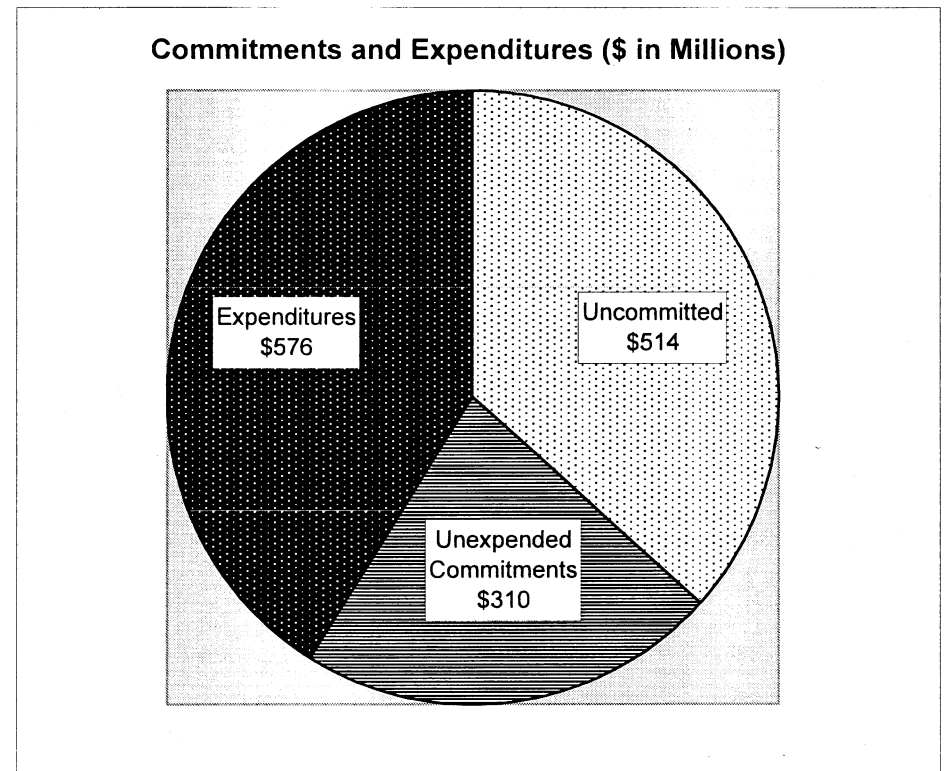
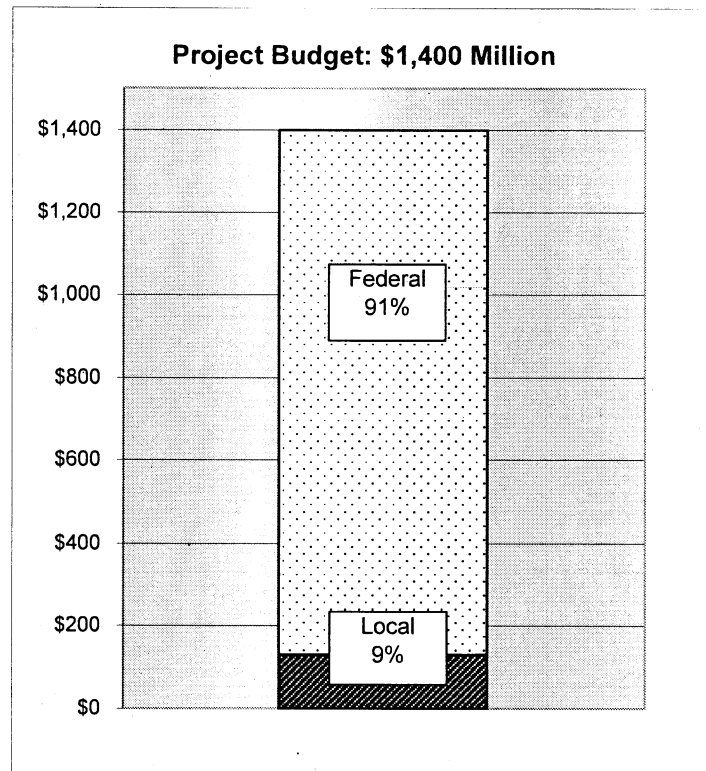
|                                | <u>Original Schedule</u> | <u>Previous Month</u><br><u>Schedule</u> | <u>Current Month</u><br><u>Schedule</u> |
|--------------------------------|--------------------------|--|---|
| Project Design Start           | Aug 1, 2003              | Aug 1, 2003                              | Aug 1, 2003                             |
| Project Design Completion      | Oct 2004                 | Apr 2010                                 | Apr 2010                                |
| Project Construction Start     | Sep 2004                 | Dec 30, 2004                             | Dec 30, 2004                            |
| Project Substantial Completion | Dec 2007                 | Jun 2014                                 | Jun 2014                                |

#### Current Issues/Highlights

- The northbound platform of the R/W Cortlandt Street Station opened to customer service before the holiday weekend on November 25.
- Excavation for the Fulton Street Transit Center foundation is nearly complete. Concrete pours for the foundation mat slab began November 16.
- On-site construction began on the A/C Mezzanine and J/M/Z Vertical Circulation contract. Temporary stairs have been installed on both ends of the A/C platform, allowing the contractor to remove a portion of the mezzanine from customer service to begin the first phase of work. The contractor also began removal and storage of the existing public art in the station.
- The contractor for the 4/5 Station Rehabilitation and Dey Street Entrance Building Finishes has mobilized and began site preparation.
- MTACC advertised the Corbin Building Restoration contract on October 12. Bids are due December 8.
- MTACC advertised the contract for the Dey Street Concourse and R/W Underpass Finishes on November 23.

**Fulton Transit Center Status  
thru November 2009**

| MTA Capital Program<br>\$ in Millions | Budgeted        | Funding Sources  |                    |                     | Status of Commitments |               |               |
|---------------------------------------|-----------------|------------------|--------------------|---------------------|-----------------------|---------------|---------------|
|                                       |                 | Local<br>Funding | Federal<br>Funding | Federal<br>Received | Committed             | Uncommitted   | Expended      |
| 2000-2004                             | \$ 875          | \$ 56            | \$ 819             | \$ 819              | \$ 654                | \$ 221        | \$ 576        |
| FTA Reserve (2000-2004)               | 28              | -                | 28                 | -                   | -                     | 28            | -             |
| 2005-2009                             | 74              | 74               | -                  | -                   | -                     | 74            | -             |
| ARRA (Federal Stimulus)               | 423             | -                | 423                | -                   | 233                   | 191           | -             |
| <b>Total</b>                          | <b>\$ 1,400</b> | <b>\$ 130</b>    | <b>\$ 1,270</b>    | <b>\$ 819</b>       | <b>\$ 886</b>         | <b>\$ 514</b> | <b>\$ 576</b> |



# MTA CAPITAL CONSTRUCTION PROJECT UPDATE

## 7 Line Extension

### Project Description

MTA Capital Construction is managing design and construction of the extension of the 7 Line from the current terminal at Times Square to 11<sup>th</sup> Avenue and 34<sup>th</sup> Street, where the Javits Convention Center is located and where significant future development is anticipated. The investment includes construction of over a mile of new tunnel and the 34<sup>th</sup> Street terminal subway station.

### Budget and Estimate at Completion (EAC)

|                              | <u>Budget</u>           | <u>Last Reported</u><br><u>EAC</u> | <u>Current Month</u><br><u>EAC</u> | <u>Expenditures</u>   |
|------------------------------|-------------------------|------------------------------------|------------------------------------|-----------------------|
| EIS and Prelim Engineering   | \$ 52,946,333           | \$ 52,946,333                      | \$ 52,946,333                      | \$ 52,861,616         |
| Extended PE and Final Design | 127,204,990             | 127,204,990                        | 127,204,990                        | 98,949,328            |
| Construction                 | 1,907,807,768           | 1,907,807,768                      | 1,907,807,768                      | 675,908,839           |
| Construction Management      | 64,987,242              | 64,987,242                         | 64,987,242                         | 13,855,403            |
| <b>Total Project Cost</b>    | <b>\$ 2,152,946,333</b> | <b>\$ 2,152,946,333</b>            | <b>\$ 2,152,946,333</b>            | <b>\$ 841,575,186</b> |

### Major Milestones and Forecasts

|                                   | <u>Original Schedule</u> | <u>Previous Month</u><br><u>Schedule</u> | <u>Current Month</u><br><u>Schedule</u> |
|-----------------------------------|--------------------------|--|---|
| Project Design Start              | Sep 30, 2002             | Sep 30, 2002                             | Sep 30, 2002                            |
| Project Design Completion         | Dec 2006                 | TBD*                                     | TBD*                                    |
| Project Construction Start        | 2006                     | Dec 15, 2007                             | Dec 15, 2007                            |
| Project Substantial Completion ** | 2012                     | Dec 2013                                 | Dec 2013                                |

\* In order to develop a design completion schedule, MTACC requires the City's agreement on a basis of design and easements for the five developer sites at which project facilities (e.g., entrances or systems buildings) will be constructed.

\*\* Project Substantial Completion refers to the revenue service start date.

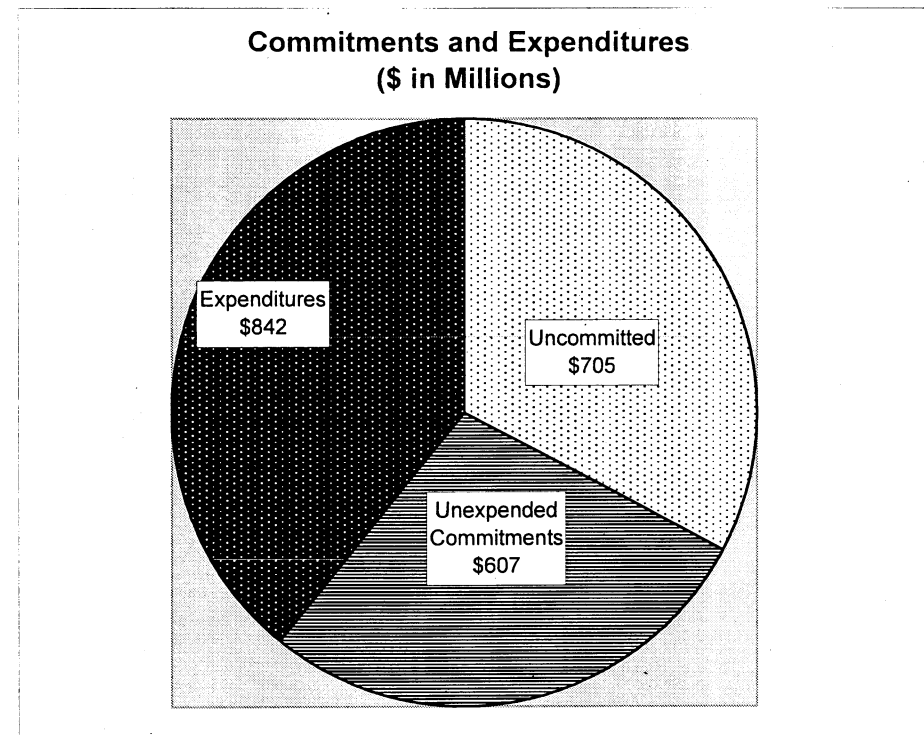
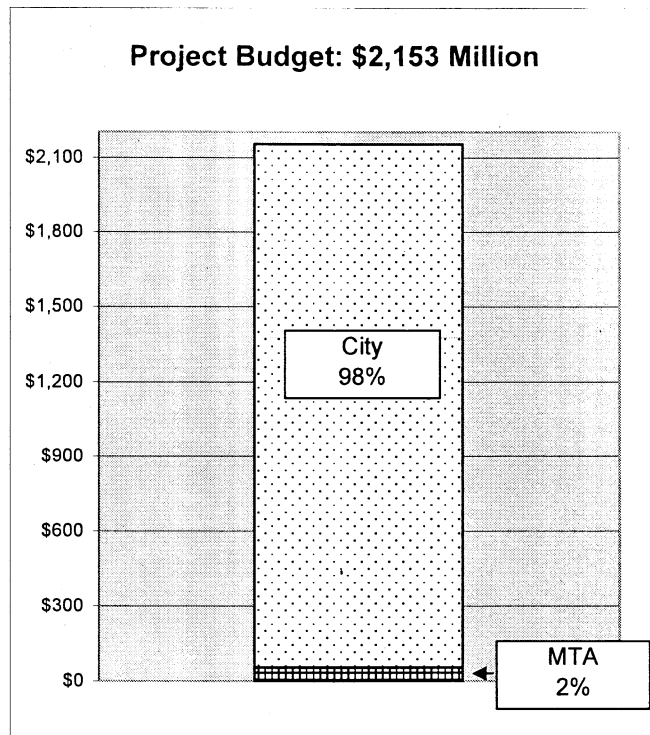
### Current Issues/Highlights

- The first TBM, which is excavating the northbound tunnels, reached the southern boundary of the 34<sup>th</sup> Street Station cavern on October 30. It has been pulled through the cavern and is being positioned to tunnel north of the station cavern to a point where the new tunnel will be connected to the existing 7 Line under 41<sup>st</sup> Street. The second TBM, which is excavating the southbound tunnels, is scheduled to break through into the station cavern by mid-December.
- TBM mining is proceeding, with over 2,200 feet of tunnel, 24 percent of the planned total length, mined through November 24.
- Excavation and underpinning continues on the lower level of the 8<sup>th</sup> Avenue Subway and the existing 7 Line tail tracks at Times Square.
- Permanent cast-in-place reinforced concrete wall placement continues in the 34<sup>th</sup> Street Station cavern. Over 7,450 cubic yards of concrete, 14 percent of the 55,000 cubic yards planned, has been placed.

**No. 7 Line Extension Status  
thru November 2009**

| MTA Capital Program<br>\$ in Millions | Budgeted        | Funding Sources |                 |                        | Status of Commitments |               |               |
|---------------------------------------|-----------------|-----------------|-----------------|------------------------|-----------------------|---------------|---------------|
|                                       |                 | MTA<br>Funds*   | City<br>Funds   | City Funds<br>Received | Committed             | Uncommitted   | Expended      |
| 2000-2004                             | \$ 53           | \$ 53           | \$ -            | \$ -                   | \$ 53                 | \$ 0          | \$ 53         |
| 2005-2009                             | 2,100           | -               | 2,100           | 1,395                  | 1,395                 | 705           | 789           |
| <b>Total Authorized</b>               | <b>\$ 2,153</b> | <b>\$ 53</b>    | <b>\$ 2,100</b> | <b>\$ 1,395</b>        | <b>\$ 1,448</b>       | <b>\$ 705</b> | <b>\$ 842</b> |

\* MTA funding was for preliminary engineering and environmental review work.



# MTA CAPITAL CONSTRUCTION PROJECT UPDATE

## Second Avenue Subway

### Project Description

MTA Capital Construction is managing construction of the Second Avenue Subway on Manhattan's east side from 125<sup>th</sup> Street to the Financial District in Lower Manhattan. The investment will create a two-track, 8.5-mile subway line with 16 new ADA-accessible subway stations, alleviate congestion on the system's most crowded subway line, the 4/5/6 Line on Lexington Avenue, and greatly reduce customer travel times. The line will be built in phases, with the first segment being an extension of the Q Line to the Lexington Avenue/63<sup>rd</sup> Street Station, where a transfer to the F Line will be available, and up Second Avenue to new 72<sup>nd</sup>, 86<sup>th</sup>, and 96<sup>th</sup> Street Stations.

### Budget and Estimate at Completion (EAC)

|                           | <u>Budget</u>           | <u>Last Reported<br/>EAC</u> | <u>Current Month<br/>EAC</u> | <u>Expenditures</u>   |
|---------------------------|-------------------------|------------------------------|------------------------------|-----------------------|
| Design                    | \$ 445,000,000          | \$ 445,000,000               | \$ 445,000,000               | \$ 375,092,628        |
| Construction              | 3,548,000,000           | 3,548,000,000                | 3,548,000,000                | 349,188,092           |
| Construction Management   | 166,000,000             | 166,000,000                  | 166,000,000                  | 13,715,212            |
| Real Estate               | 292,000,000             | 292,000,000                  | 292,000,000                  | 65,951,125            |
| Rolling Stock*            | 0                       | 0                            | 0                            | 0                     |
| <b>Total Phase I Cost</b> | <b>\$ 4,451,000,000</b> | <b>\$ 4,451,000,000</b>      | <b>\$ 4,451,000,000</b>      | <b>\$ 803,947,057</b> |

\* Assumes \$222 million in savings opportunities, including meeting rolling stock needs through a small reduction to NYC Transit's existing spare fleet.

### Major Milestones and Forecasts

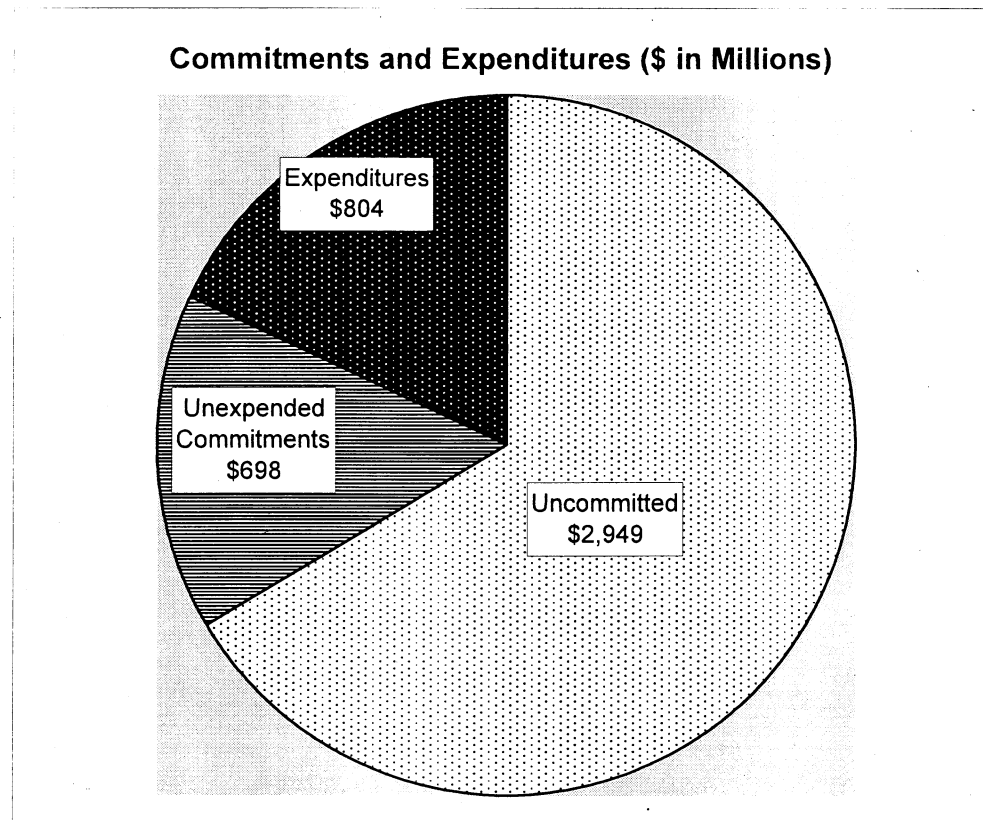
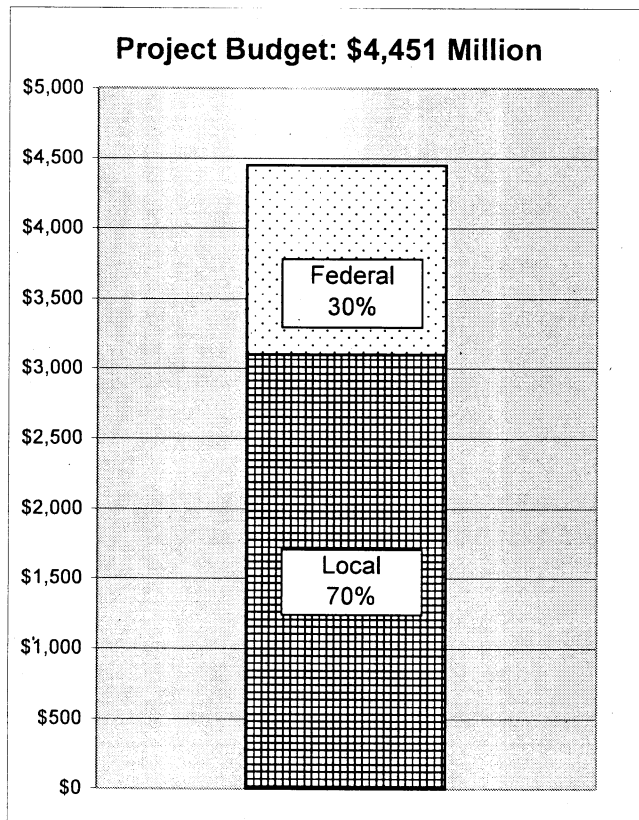
|  | <u>Original Schedule</u> | <u>Previous Month<br/>Schedule</u> | <u>Current Month<br/>Schedule</u> |
|--|--------------------------|------------------------------------|-----------------------------------|
| Project Design Start                     | Dec 20, 2001             | Dec 20, 2001                       | Dec 20, 2001                      |
| Project Design Completion (Phase I)      | 2008                     | Feb 2010                           | Feb 2010                          |
| Project Construction Start               | Dec 2004                 | Mar 20, 2007                       | Mar 20, 2007                      |
| Project Substantial Completion (Phase I) | 2012                     | Dec 2016                           | Dec 2016                          |

### Current Issues/Highlights

- Controlled blasting began in the TBM launch box on November 4. To date, approximately 65 percent of the excavation in the launch box has been completed.
- MTACC has decided to procure the 72<sup>nd</sup> Street Station Cavern and G3/G4 Tunnels Contract (C-26007) through a low-bid rather than RFP process to capitalize on current market opportunities for bidding contracts.
- The demolition of Century Lumber Yard on Second Avenue adjacent to the project site is scheduled to begin in December.

**Second Avenue Subway Status (Phase 1 Only)  
thru November 2009**

| MTA Capital Program<br>\$ in Millions | Budgeted        | Funding Sources  |                    |                     | Status of Commitments |                 |               |
|---------------------------------------|-----------------|------------------|--------------------|---------------------|-----------------------|-----------------|---------------|
|                                       |                 | Local<br>Funding | Federal<br>Funding | Federal<br>Received | Committed             | Uncommitted     | Expended      |
| 2000-2004                             | \$ 1,050        | \$ 1,014         | \$ 36              | \$ 36               | \$ 1,021              | \$ 29           | \$ 720        |
| 2005-2009                             | 1,914           | \$ 599           | \$ 1,315           | \$ 193              | 481                   | 1,433           | 84            |
| 2010-2014                             | 1,487           | 1,487            | -                  | -                   | -                     | 1,487           | -             |
| <b>Total</b>                          | <b>\$ 4,451</b> | <b>\$ 3,100</b>  | <b>\$ 1,351</b>    | <b>\$ 229</b>       | <b>\$ 1,502</b>       | <b>\$ 2,949</b> | <b>\$ 804</b> |



## MTA CAPITAL CONSTRUCTION PROJECT UPDATE

### East Side Access

#### Project Description

The East Side Access project brings Long Island Rail Road (LIRR) train service to a new lower level of Grand Central Terminal. The connection significantly improves travel times for Long Island and Queens commuters to the Midtown business district and alleviates pressure at a crowded Penn Station.

#### Budget and Estimate at Completion (EAC)

|                           | <u>Budget</u>           | <u>Last Reported</u><br><u>EAC</u> | <u>Current Month</u><br><u>EAC</u> | <u>Expenditures</u>     |
|---------------------------|-------------------------|------------------------------------|------------------------------------|-------------------------|
| EIS and Engineering       | \$ 564,664,653          | \$ 564,664,653                     | \$ 564,664,653                     | \$ 448,001,660          |
| Construction              | 5,781,343,484           | 5,781,343,484                      | 5,781,343,484                      | 1,005,714,867           |
| Project Management        | 608,623,549             | 608,623,549                        | 608,623,549                        | 308,430,881             |
| Real Estate               | 171,368,314             | 171,368,314                        | 171,368,314                        | 84,365,626              |
| Rolling Stock*            | 202,000,000             | 202,000,000                        | 202,000,000                        | 0                       |
| <b>Total Project Cost</b> | <b>\$ 7,328,000,000</b> | <b>\$ 7,328,000,000</b>            | <b>\$ 7,328,000,000</b>            | <b>\$ 1,846,513,034</b> |

\* An additional \$463 million budgeted for ESA rolling stock is included in a reserve in the Board-approved 2010-2014 Capital Plan pending completion of a simulation of opening day service and fleet need.

#### Major Milestones and Forecasts

|                                | <u>Original Schedule</u> | <u>Previous Month</u><br><u>Schedule</u> | <u>Current Month</u><br><u>Schedule</u> |
|--------------------------------|--------------------------|--|---|
| Project Design Start           | Mar 1999                 | Mar 31, 1999                             | Mar 31, 1999                            |
| Project Design Completion      | 4 <sup>th</sup> Q 2008   | Mar 2012                                 | Mar 2012                                |
| Project Construction Start     | Sep 2001                 | Sep 5, 2001                              | Sep 5, 2001                             |
| Project Substantial Completion | 2 <sup>nd</sup> Q 2012   | Sep 2016                                 | Sep 2016                                |

#### Current Issues/Highlights

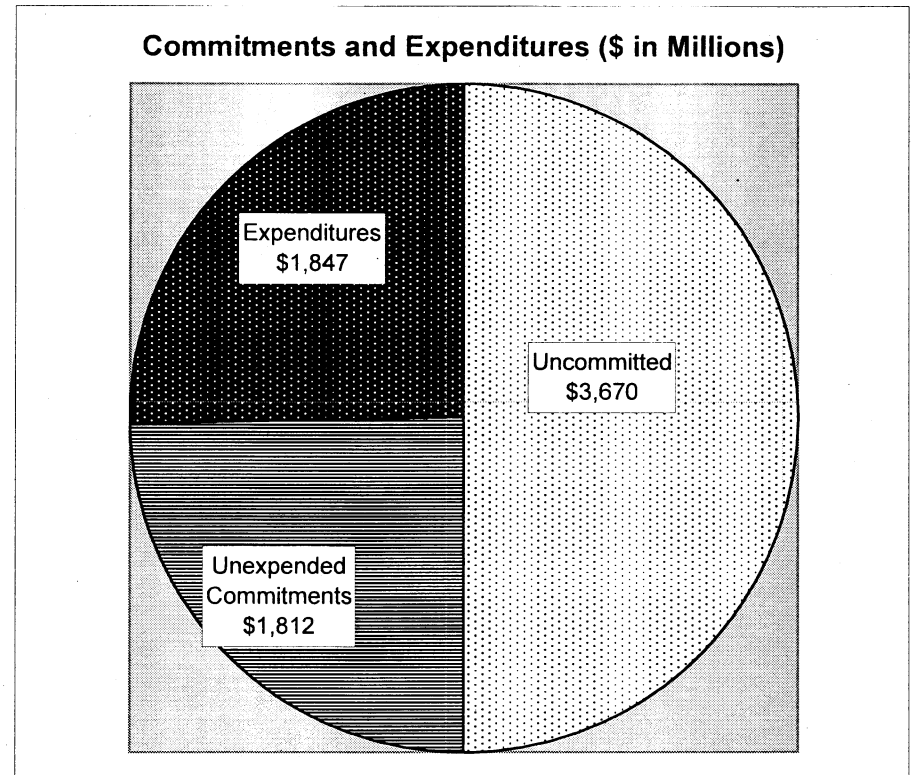
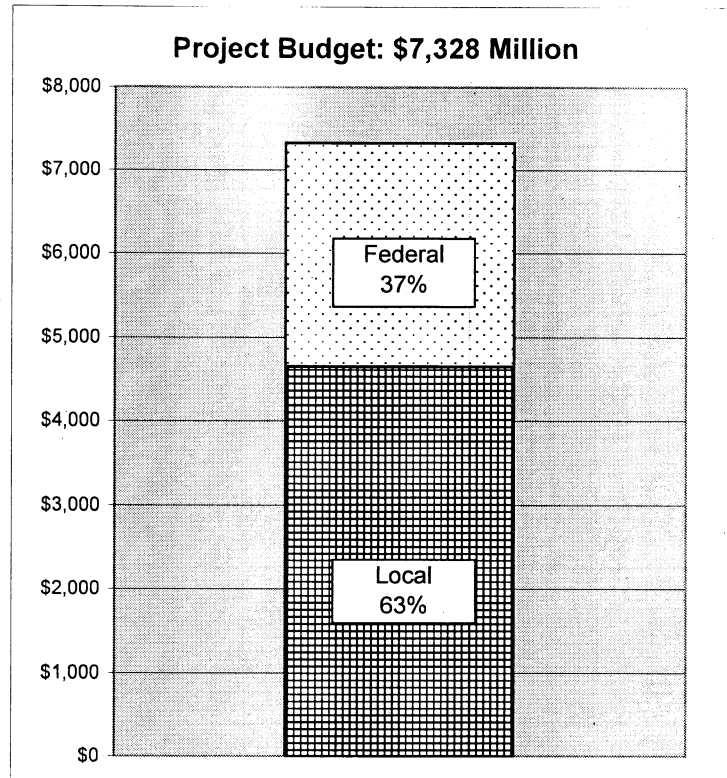
- Within Grand Central Terminal's (GCT's) Madison Yard area, structural beams that support Metro-North Railroad's upper level have been reframed to allow for the excavation of the first of four escalator wellways. The escalators to be installed will provide access between the future Long Island Rail Road (LIRR) concourse being built in the Madison Yard area and the caverns where the TBMs are now operating and future LIRR trains to GCT will terminate in the future.
- Construction commenced on what will be the east perimeter wall of the future LIRR concourse.
- Excavation of Shaft 5 within Madison Yard is complete and a temporary elevator will be installed in early December to provide worker and material access to the tunnel and cavern levels. Shaft 5 provides the first direct connection between the concourse and the caverns.
- All surface work at 37<sup>th</sup> Street and Park Avenue was completed ahead of the Holiday moratorium.
- Harold Access Bridge deck beams and additional catenary poles were installed as part of the Harold Structures Part 1 contract.
- LIRR Forces successfully installed and placed in service a new cross-over switch within Harold Interlocking.
- The FTA Administrator visited several East Side Access work sites, including Madison Yard, the Manhattan TBM tunnels, and the Queens work site.



**East Side Access Status  
thru November 2009**

| MTA Capital Program<br>\$ in Millions | Budgeted        | Funding Sources  |                     |                     | Status of Commitments |                 |                 |
|---------------------------------------|-----------------|------------------|---------------------|---------------------|-----------------------|-----------------|-----------------|
|                                       |                 | Local<br>Funding | Federal<br>Funding* | Federal<br>Received | Committed             | Uncommitted     | Expended        |
| 1995-1999                             | \$ 158          | \$ 112           | \$ 46               | \$ 46               | \$ 158                | \$ -            | \$ 157          |
| 2000-2004                             | 1,534           | 941              | 593                 | 593                 | 1,476                 | 57              | 1,164           |
| 2005-2009                             | 2,683           | 639              | 2,044               | 506                 | 2,024                 | 659             | 525             |
| 2010-2014                             | 2,954           | 2,954            | -                   | -                   | -                     | 2,954           | -               |
| <b>Total</b>                          | <b>\$ 7,328</b> | <b>\$ 4,646</b>  | <b>\$ 2,683</b>     | <b>\$ 1,144</b>     | <b>\$ 3,658</b>       | <b>\$ 3,670</b> | <b>\$ 1,847</b> |


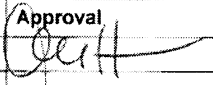
\* All Federal funding is approved through a Full Funding Grant Agreement with the FTA.





## **MTACC PROCUREMENT AGENDA**

# Staff Summary

|  |                  |          |   |      |       |
|--|------------------|----------|---|------|-------|
| Item Number  |                  |          |   |      |       |
| Dept & Dept Head Name: Law, Veronique Hakim<br> |                  |          |   |      |       |
| Division & Division Head Name: N/A   |                  |          |   |      |       |
| Board Reviews  |                  |          |   |      |       |
| Order  | To               | Date     | Approval  | Info | Other |
| 1  | Committee        | 12/09/09 |   |      |       |
| 2  | Board            | 12/16/09 |   |      |       |
| Internal Approvals   |                  |          |   |      |       |
| Order  | Approval         | Order    | Approval  |      |       |
| 1  | Agency President |          |  |      |       |

|  |                        |
|--|------------------------|
| <b>SUMMARY INFORMATION</b>   |                        |
| Vendor Name<br>N/A   | Contract Number<br>N/A |
| Description<br>Request for Authorization to Award Various Procurements   |                        |
| Total Amount<br>\$ 4,832,000   |                        |
| Contract Term (including Options, if any)<br>Various   |                        |
| Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No<br>Various  |                        |
| Renewal? Various <input type="checkbox"/> Yes <input type="checkbox"/> No  |                        |
| Procurement Type Various<br><input type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive  |                        |
| Solicitation Type Various<br><input type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                        |
| Funding Source Various<br><input type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other: |                        |

## I. PURPOSE/RECOMMENDATION

To obtain Board approval to award various contracts and purchase orders as reviewed by the MTA Capital Construction Committee and the NYC Transit Committee.

## II. DISCUSSION

MTA Capital Construction proposes to award Non-Competitive Procurements in the following categories:

None

MTA Capital Construction proposes to award Competitive Procurements in the following categories:

Schedule Requiring Majority Vote

|  |          |                           |
|--|----------|---------------------------|
| Schedule F Personal Service Contracts                        | 1        | \$ 3,000,000 (NTE)        |
| Schedule I Modification to Purchase or Public Work Contracts | 1        | \$ 1,832,000 (NTE)        |
| <b>SUBTOTAL</b>  | <b>2</b> | <b>\$ 4,832,000 (NTE)</b> |

MTA Capital Construction proposes to award Ratifications in the following categories:

None

|              |          |                           |
|--------------|----------|---------------------------|
| <b>TOTAL</b> | <b>2</b> | <b>\$ 4,832,000 (NTE)</b> |
|--------------|----------|---------------------------|

# Staff Summary

## Contract Cost and Terms

N/A

## Renewal Information (if applicable)

N/A

## Background on Selected Firm

N/A

### **III. D/M/WBE INFORMATION**

N/A

### **IV. IMPACT ON FUNDING**

The purchases/contracts will result in obligating capital funds in the amount listed. Funds are available in the current capital budget for this purpose.

### **V. ALTERNATIVES**

N/A

## **BOARD RESOLUTION**

**WHEREAS**, in accordance with Section 1265-a and 1209 of the Public Authorities Law and the All Agency Procurement guidelines, the Board authorizes the award of certain non-competitive purchase and public works contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

**WHEREAS**, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous service and miscellaneous procurement contracts, certain change orders to purchase, public work, and miscellaneous service and miscellaneous procurement contracts;

**WHEREAS**, in accordance with Section 2879 of the Public Authorities Law and the All-Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

**NOW**, upon the recommendation of the Executive Director, the Board resolves as follows:

1.As to each purchase and public work contract set forth in annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.

2.As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which authorization to solicit proposals is requested, for the reasons specified therein, the Board declares competitive bidding to be impractical or inappropriate, declares it is in the public interest to solicit competitive request for proposals and authorizes the solicitation of such proposals.

3.As to each request for proposals (for purchase and public work contracts set forth in Schedule C for which a recommendation is made to award the contract), the Board authorizes the execution of said contract.

4.As to each action set forth in Schedule D, the Board declares competitive bidding impractical or inappropriate for the reasons specified therein, and ratifies each action for which ratification is requested.

5.The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.

6.The Board ratifies each action taken set forth in Schedule K for which ratification is requested.

7.The Board authorizes the budget adjustments to estimated contracts set forth in Schedule L.

## LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

DECEMBER 2009

### Procurements Requiring Majority Vote:

#### **F. Personal Service Contracts**

(Staff Summaries required for items requiring Board Approval)

1. **Various Firms (Three)**                      **\$ 3,000,000 Aggregate (NTE)**                      *Staff Summary Attached*  
    **Contract # PS829A**  
        **# PS829B**  
        **# PS829C**  
    On-Call Services for Concrete Consultant

#### **I. Modification to Purchase and Public Work Contracts**

(Staff Summaries required for items requiring Board Approval)

2. **Schiavone/Granite-Halmar, JV**                      **\$ 1,832,000 (NTE)**                      *Staff Summary Attached*  
    **Contract # A-35976**  
    Design and Construction of the South Ferry Terminal Structural Box

**STAFF SUMMARY**

Page 1 of 2

|  |  |          |                         |      |       |
|--|--|----------|-------------------------|------|-------|
| <b>Item Number</b>   |  |          |                         |      |       |
| Department and Department Head Name: Chief Engineer - J. Trainor |  |          |                         |      |       |
| Division and Division Head Name: Design Integrity - M. Kyriacou  |  |          |                         |      |       |
| <b>Board Reviews</b>   |  |          |                         |      |       |
| Order  | To   | Date     | Approval                | Info | Other |
|  | Capital Construction, Planning & Real Estate | 12/9/09  | X                       |      |       |
|  | Finance                                      | 12/14/09 | X                       |      |       |
|  | Board  | 12/16/09 | X                       |      |       |
| <b>Internal Approvals</b>  |  |          |                         |      |       |
| Order  | Approval                                     | Order    | Approval                |      |       |
| 4  | President                                    | 2        | Chief Financial Officer |      |       |
| 3  | General Counsel                              | 1        | Director, Procurement   |      |       |

|  |                         |
|--|-------------------------|
| <b>SUMMARY INFORMATION</b>   |                         |
| <b>Vendor Name</b>   | <b>Contract Numbers</b> |
| 1. HAKS Engineering  | PS829A                  |
| 2. Simpson Gumpertz & Heger  | PS829B                  |
| 3. STV Engineering   | PS829C                  |
| <b>Description</b>   |                         |
| On-Call Services for Concrete Consultant   |                         |
| <b>Total Amount</b>  |                         |
| \$3,000,000 Aggregate  |                         |
| <b>Contract Term</b>   |                         |
| Three (3) years with additional one (1) year option  |                         |
| <b>Option(s) included in Total Amount?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |                         |
| <b>Renewal?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |                         |
| <b>Procurement Type</b>  |                         |
| <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive   |                         |
| <b>Solicitation Type</b>   |                         |
| <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:   |                         |
| <b>Funding Source</b>  |                         |
| <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: |                         |

**I. PURPOSE/RECOMMENDATION**

To obtain the approval of the MTA Board to award competitive personal service on-call contracts for concrete consultant services to the firms listed below. The consultants will be available as needed to support MTA Capital Construction projects for an amount not to exceed \$3,000,000 in aggregate over the contract duration of three years with a one-year option.

Contract Number/Firms

1. PS829A - Haks Engineering
2. PS829B - Simpson Gumpertz & Heger
3. PS829C - STV Engineering.

**II. DISCUSSION**

MTACC intends to enter into three on-call contracts that together will serve as a pool of consultants available to provide services in the following areas: overseeing contractor preparation, transport, placement, curing, testing, and repair of concrete; reviewing contract drawings and specifications regarding concrete; providing MTACC technical expert in the event of disputes; providing assistance in estimating concrete cost, scheduling, phasing and timing to complete; and, assisting MTACC in performing quality assurance reviews and inspections, researching new products, and evaluating alternate or substitute mixtures as required.

The work under these contracts will be performed on an "as-needed" basis. Under this arrangement, MTACC will issue task orders against the base contracts for the specific consulting services as MTACC's needs are identified. These task orders will include detailed specifications for the services required and will typically be competitively solicited among the pool of consultants who can provide the necessary professional services.



### **III. PROCUREMENT PROCESS**

The requirements were advertised in The New York Post and The New York State Contract Reporter. Eight (8) firms requested a copy of the RFP. On April 9, 2009, proposals were received from six (6) firms. A Selection Committee

evaluated the proposals based on the following criteria in order of relative importance:

1. Plan of Approach
2. Experience of Project Team
3. Experience of prime & sub consultant key personnel
4. Current workload of prime and sub consultants
5. Management
6. Quality Assurance Plan
7. Other Relevant Matters

The initial phase of the RFP process required that proposals be evaluated based on technical factors only. A discussion of all proposers led to the short listing of the three (3) firms the Committee believed were most technically qualified. Those firms were 1) Haks Engineering 2) Simpson Gumpertz & Heger 3) STV Engineering. After an in-depth review of the firms' proposals, their relevant experience and references, the Selection Committee unanimously selected all three (3) firms. The decision was based on the Committee's determination that they all demonstrated they possess the capacity, understanding, experience and commitment to perform the subject work.

Responsibility checks revealed no Significant Adverse Information ("SAI") as defined by the MTA's All Agency Responsibility Guidelines on any of the firms, therefore all three firms were deemed responsible.

The firm's proposed overhead rates, financial statements and independent auditor's reports were submitted to MTA Audit Services for review and acceptability. Services to be provided under these contracts will be awarded on an as-needed basis at a negotiated cost plus fee based on the accepted labor and overhead billing rates. The accepted ceiling labor rates will be fixed for a period of one (1) year from the Notice of Award date and subject to MTA Audit's final review.

### **IV. D/M/WBE**

A 10% DBE goal was established for this contract by the MTA Office of Civil Rights

### **V. IMPACT ON FUNDING**

The cost of these contracts will be funded with Capital Program and FTA funds provided on a task order basis by the individual capital project requiring these services. Task orders will not be issued until an approved WAR Certificate is received.

### **VI. ALTERNATIVES**

Perform the work using in-house personnel. Currently, MTACC does not have the in-house personnel to perform the tasks anticipated under this contract

### **VII. ALTERNATIVES**

Perform the work using in-house personnel. Currently, MTACC does not have the in-house personnel to perform the tasks anticipated under this contract

# Schedule I: Modifications to Purchase and Public Work Contracts

## Item Number:

|   |  |  |                                       |
|---|--|--|---------------------------------------|
| <b>Vendor Name (&amp; Location)</b><br>Schiavone/Granite-Halmar, JV   |  | <b>Contract Number</b><br>A-35976                                      | <b>AWO/Modification</b><br>Mod No. 99 |
| <b>Description</b><br>Design and Construction of the South Ferry Terminal Structural Box  |  |  |                                       |
| <b>Contract Term (including Options, if any)</b><br>February 25, 2005 – September 28, 2007  |  |  |                                       |
| <b>Option(s) included in Total</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a   |  |  |                                       |
| <b>Procurement</b> <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive   |  |  |                                       |
| <b>Solicitation</b> <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification  |  |  |                                       |
| <b>Funding Source</b><br><br><input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: |  |  |                                       |
| <b>Requesting Dept/Div &amp; Dept/Div Head Name:</b><br>Michael Horodniceanu, President, MTACC  |  |  |                                       |
|   |  | <b>Original Amount:</b>  | \$ 261,000,000                        |
|   |  | <b>Prior Modifications:</b>  | \$ 6,582,684                          |
|   |  | <b>Prior Budgetary Increases:</b>                                      | \$ 0                                  |
|   |  | <b>Current Amount:</b>   | \$ 267,582,684                        |
|   |  | <b>This Request</b>  | \$ 1,832,000                          |
|   |  | <b>% of This Request to Current Amount:</b>                            | 0.68%                                 |
|   |  | <b>% of Modifications (including This Request) to Original Amount:</b> | 3.22%                                 |

## Discussion:

This change order, Additional Work Order (AWO) #99 for Contract A-35976 with Schiavone/Granite Halmar, JV (SGH), provides for a global settlement between MTACC and the Contractor. MTACC and SGH have agreed to a payment of \$1,832,000 from MTACC to SGH and the extension of the contractual Substantial Completion date from September 28, 2007 to December 1, 2008 as consideration for the resolution of all remaining contract issues and release of all SGH claims against the MTA.

Under Contract A-35976, SGH designed and constructed the Structural Box for the new South Ferry Terminal that has replaced the existing South Ferry Terminal on the 1 Line. The new station sits under Peter Minuit Plaza in front of the Whitehall (Staten Island) Ferry Terminal. MTACC awarded this Contract on February 25, 2005 in the amount of \$261,000,000 with a contractual substantial completion date of May 25, 2007. Previous approved change orders have increased the contract amount to \$267,582,684 and a substantial completion date of September 28, 2007.

This change order resolves both Contractor claims and MTACC counterclaims which arose during execution of the project. By agreeing to this global settlement, MTACC and SGH have agreed to end dispute on all issues identified in the global settlement agreement.




## **OTHER ACTION ITEMS**

Amendment of the Design Work and Utility Relocations Agreement  
with 415 Madison Avenue for an Entrance to the Future LIRR Concourse  
as Part of the East Side Access Project

2010 Final Proposed Budget



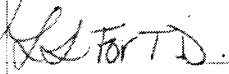
# Staff Summary



|  |
|--|
| <b>Subject</b><br>East Side Access 48th Street Entrance  |
| <b>Department</b><br>East Side Access  |
| <b>Department Head Name</b><br>Alan Paskoff  |
| <b>Department Head Signature</b>   |
| <b>Project Manager Name</b><br>Joseph Petrocelli  |

|  |
|--|
| <b>Date</b><br>December, 2009                |
| <b>Vendor Name</b><br>415 Madison Avenue LLC |
| <b>Contract Number</b><br>N/A                |
| <b>Contract Manager Name</b>                 |
| <b>Table of Contents Ref #</b>               |

| Board Action |                 |          |          |      |       |
|--------------|-----------------|----------|----------|------|-------|
| Order        | To              | Date     | Approval | Info | Other |
| 1            | MTACC Committee | 12/09/09 |          |      |       |
| 2            | MTA Board       | 12/16/09 |          |      |       |
|              |                 |          |          |      |       |
|              |                 |          |          |      |       |

| Internal Approvals |                         |       |   |
|--------------------|-------------------------|-------|---|
| Order              | Approval                | Order | Approval  |
|                    | President MTACC         |       |  |
|                    | General Counsel         |       |  |
|                    | Chief Financial Officer |       |  |
|                    | Human Resources         |       |   |

## BACKGROUND:

The East Side Access (ESA) project will require permanent and temporary easements from 415 Madison LLC to build an entrance to the new LIRR concourse that will be built as part of the East Side Access project. The MTA Board has authorized MTACC to enter into a design services agreement to complete the design for the infrastructure changes that have to be made at 415 Madison Avenue to accommodate this ESA entrance. As part of this effort, work needs to be done by Con Edison to relocate the electrical service into the building.

## PURPOSE:

To amend the staff summary approved by the MTA Board in September 2009 that authorized \$500,000 in payments to 415 Madison LLC to pay Con Edison for work needed to relocate utilities servicing the building. As design has progressed, Con Edison has advised MTACC that an additional vault will need to be replaced (an increase from the original three to four vaults) and another transformer will need to be exchanged in order to accommodate their requirements. This amendment will increase the scope and cost of the work from \$500,000 to approximately \$750,000.

## DISCUSSION:

As noted in the previous Staff Summaries (January 2009 and September 2009), an entrance will be built at 48<sup>th</sup> Street between Madison and Park Avenues for the East Side Access project. This entrance will impact two privately owned buildings—280 Park Avenue and 415 Madison Avenue. In the case of 415 Madison Avenue, the work that must be done includes:

- Underpinning and re-support of eight building columns.
- To accomplish the work noted above, suspension of five pumps, one chiller, and other mechanical and electrical equipment from the first floor structure;
- Removal and replacement of the south building foundation wall, including the underpinning of the upper portion of the wall;

## Staff Summary

- Underpinning and re-support of the party wall between 415 Madison and 280 Park Avenue;
- Removal and replacement of mechanical room basement slab;
- Relocation of the electrical switchgear equipment and the telecom equipment;
- Construction of three new transformer vaults in the sidewalk vault space along the south face of the building, the replacement of a fourth vault and the installation of transformers in the new vaults;
- Demolition of the three eastern most transformer vaults and the vault to be replaced;
- Excavation and installation of temporary decking of the north sidewalk along 48<sup>th</sup> Street within the limits of the proposed entrance landing (access to the 415 Madison service entrance will be maintained at all times);

The owners of 415 Madison Avenue have indicated that they would be responsible for:

- Temporary support and re-installation work of five pumps, one chiller, and other mechanical and electrical equipment;
- Design and relocation of the electrical switchgear equipment and the telecom equipment;
- Coordination and construction of three new transformer vaults in the sidewalk vault space along the south face of the building, the replacement of a fourth vault and the installation of transformers in the new vaults.

The construction cost for the work within 415 Madison will be the subject of a future staff summary once the design has been completed and the cost can be more precisely estimated.

Con Edison and Verizon will also be required to relocate their equipment servicing the building. The specific Con Edison work that must be performed includes the installation of four Con Edison transformers and associated connections for the new equipment. The building owner at 415 Madison will construct the new transformer vaults. Con Edison will be responsible for installing their transformers in the new vaults and the required connections. The design and construction of this Con Edison-related utility work must be initiated now so that the project schedule is not adversely affected

### ALTERNATIVES:

There is no alternative as Con Edison has advised the MTA that the contract for these services related to 415 Madison Avenue must be with the building owner.

### FUNDING IMPACT:

The work will be funded from the MTA's 2005-09 Capital Plan.

### RECOMMENDATIONS:

MTA Board approval to amend the previously approved design services agreement with 415 Madison LLP to increase the authorized payment to ConEdison for the services described herein from \$500,000 to \$750,000.

# Staff Summary



|  |
|--|
| <b>Subject</b><br>2010 Budget                              |
| <b>Department</b><br>Office of the Chief Financial Officer |
| <b>Department Head Name</b><br>Anthony D'Amico             |
| <b>Department Head Signature</b>                           |
| <b>Project Manager Name</b><br>Laurie Lombardi             |

|                                |
|--------------------------------|
| <b>Date</b><br>11/24/2009      |
| <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            | MTACC Committee   | 12/9/09  | X        |      |       |
| 2            | Finance Committee | 12/14/09 | X        |      |       |
| 3            | MTA Board         | 12/16/09 | X        |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |                         |       |          |
|--------------------|-------------------------|-------|----------|
| Order              | Approval                | Order | Approval |
|                    | President MTACC         |       |          |
|                    | General Counsel         |       |          |
|                    | Chief Financial Officer |       |          |
|                    | Human Resources         |       |          |

## PURPOSE:

To secure MTA Board adoption of the MTA Capital Construction (MTACC) 2009 November Forecast and 2010 Final Proposed Budget for Agency operations.

## DISCUSSION:

All MTACC Agency operating costs are 100 percent reimbursable from the MTA Capital Program. The MTACC 2009 November Forecast is \$37.8 million with a year-end headcount of 150. Non-labor costs, which account for \$11.3 million of the total, provided company-wide construction support from specialty contractors and oversight agencies. Approximately \$5.0 million of these expenditures are mandated by MTAHQ for such costs as independent engineer (IEC), independent compliance monitor, MTA Audit quarterly chargebacks, AAPL insurance and payroll mobility tax. Remaining non-labor costs include engineering and legal services, archeological and environmental services, reimbursement of NYCT for administrative support staff and services, and other project office costs including computer equipment and MTACC network creation, mobile communications devices and supplies.

In 2010, MTACC's main objective will continue to be the design and construction of MTA's system expansion projects. By 2010, all system expansion projects will have over \$8 billion in commitments underway or completed. MTACC projects 2010 operating expenses at \$37.3 million and a year-end headcount of 150. The 2010 Final Proposed Budget contains non-labor costs projected at \$9.9 million, unchanged from the Mid-Year Forecast and a decrease of approximately \$1.4 million from 2009. Costs include continued support of independent engineer and independent compliance monitor services, MTA Audit quarterly chargebacks, AAPL insurance and payroll mobility tax. Additional projections include the reimbursement of NYCT for administrative support staff and services, temporary expert services (such as indefinite quantity consultants and firms to support project controls, change order and claims management), engineering services, workforce development training and other office costs such as communications and computer equipment.

## ALTERNATIVES:

In order to manage the network expansion projects, MTACC has proposed an efficient organization. All MTACC costs are 100 percent reimbursable from the MTA Capital Program. Due to tight budgetary restrictions, MTACC is expected to realize a savings at the end of 2009 that will be used for salaries and project office costs for the first quarter of 2010 until the 2010-2014 Capital Program is funded and approved.

## FUNDING IMPACT:

Funding for these costs is included in the 2005-2009 and the 2010-2014 Capital Programs.

## RECOMMENDATIONS:

It is recommended that the MTA Board approve the MTACC 2009 November Forecast and 2010 Final Proposed Budget.

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2010-2013**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

| REIMBURSABLE                              |                 |                              |                                  |                 |                 |                 |
|---|-----------------|------------------------------|----------------------------------|-----------------|-----------------|-----------------|
|   | 2008<br>Actual  | 2009<br>November<br>Forecast | 2010<br>Final Proposed<br>Budget | 2011            | 2012            | 2013            |
| <b>Revenue</b>                            |                 |                              |                                  |                 |                 |                 |
| Farebox Revenue                           | \$0.000         | \$0.000                      | \$0.000                          | \$0.000         | \$0.000         | \$0.000         |
| Toll Revenue                              | -               | -                            | -                                | -               | -               | -               |
| Other Operating Revenue                   | -               | -                            | -                                | -               | -               | -               |
| Capital and Other Reimbursements          | 28.738          | 37.808                       | 37.292                           | 37.146          | 38.280          | 37.893          |
| <b>Total Revenue</b>                      | <b>\$28.738</b> | <b>\$37.808</b>              | <b>\$37.292</b>                  | <b>\$37.146</b> | <b>\$38.280</b> | <b>\$37.893</b> |
| <b>Expenses</b>                           |                 |                              |                                  |                 |                 |                 |
| <u><b>Labor:</b></u>                      |                 |                              |                                  |                 |                 |                 |
| Payroll                                   | \$11.923        | \$16.851                     | \$17.190                         | \$17.440        | \$17.948        | \$18.472        |
| Overtime                                  | 0.000           | 0.000                        | 0.000                            | -               | -               | -               |
| Health and Welfare                        | 2.355           | 2.221                        | 2.531                            | 2.696           | 2.913           | 3.145           |
| OPEB Current Payment                      | -               | -                            | -                                | -               | -               | -               |
| Pensions                                  | 2.316           | 2.101                        | 2.176                            | 2.248           | 2.346           | 2.450           |
| Other Fringe Benefits                     | 2.811           | 5.328                        | 5.501                            | 5.722           | 5.870           | 6.067           |
| Reimbursable Overhead                     | -               | -                            | -                                | -               | -               | -               |
| <b>Total Labor Expenses</b>               | <b>\$19.415</b> | <b>\$26.502</b>              | <b>\$27.398</b>                  | <b>\$28.106</b> | <b>\$29.077</b> | <b>\$30.134</b> |
| <u><b>Non-Labor:</b></u>                  |                 |                              |                                  |                 |                 |                 |
| Traction and Propulsion Power             | -               | -                            | -                                | -               | -               | -               |
| Fuel for Buses and Trains                 | -               | -                            | -                                | -               | -               | -               |
| Insurance                                 | 1.081           | 0.151                        | 0.166                            | 0.183           | 0.201           | 0.221           |
| Claims                                    | -               | -                            | -                                | -               | -               | -               |
| Paratransit Service Contracts             | -               | -                            | -                                | -               | -               | -               |
| Maintenance and Other Operating Contracts | -               | -                            | -                                | -               | -               | -               |
| Professional Service Contracts            | 7.530           | 9.489                        | 8.172                            | 7.256           | 7.375           | 5.873           |
| Materials & Supplies                      | 0.019           | 0.031                        | 0.025                            | 0.031           | 0.026           | 0.032           |
| Other Business Expenses                   | 0.644           | 1.635                        | 1.531                            | 1.570           | 1.600           | 1.633           |
| <b>Total Non-Labor Expenses</b>           | <b>\$9.323</b>  | <b>\$11.307</b>              | <b>\$9.894</b>                   | <b>\$9.039</b>  | <b>\$9.203</b>  | <b>\$7.759</b>  |
| <u><b>Other Expenses Adjustments:</b></u> |                 |                              |                                  |                 |                 |                 |
| Other                                     | -               | -                            | -                                | -               | -               | -               |
| <b>Total Other Expense Adjustments</b>    | <b>\$0.000</b>  | <b>\$0.000</b>               | <b>\$0.000</b>                   | <b>\$0.000</b>  | <b>\$0.000</b>  | <b>\$0.000</b>  |
| <b>Total Expenses before Depreciation</b> | <b>\$28.738</b> | <b>\$37.808</b>              | <b>\$37.292</b>                  | <b>\$37.146</b> | <b>\$38.280</b> | <b>\$37.893</b> |
| Depreciation                              | -               | -                            | -                                | -               | -               | -               |
| <b>Total Expenses</b>                     | <b>\$28.738</b> | <b>\$37.808</b>              | <b>\$37.292</b>                  | <b>\$37.146</b> | <b>\$38.280</b> | <b>\$37.893</b> |
| <b>Baseline Surplus/(Deficit)</b>         | <b>\$0.000</b>  | <b>\$0.000</b>               | <b>\$0.000</b>                   | <b>\$0.000</b>  | <b>\$0.000</b>  | <b>\$0.000</b>  |



**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2010-2013**  
**Cash Receipts & Expenditures**  
(\$ in millions)

| <b>CASH RECEIPTS AND EXPENDITURES</b>        |                 |                          |                              |                 |                 |                 |
|--|-----------------|--------------------------|------------------------------|-----------------|-----------------|-----------------|
|  | <b>2008</b>     | <b>2009</b>              | <b>2010</b>                  |                 |                 |                 |
|  | <b>Actual</b>   | <b>November Forecast</b> | <b>Final Proposed Budget</b> | <b>2011</b>     | <b>2012</b>     | <b>2013</b>     |
| <b>Receipts</b>                              |                 |                          |                              |                 |                 |                 |
| Farebox Revenue                              | \$0.000         | \$0.000                  | \$0.000                      | \$0.000         | \$0.000         | \$0.000         |
| Vehicle Toll Revenue                         |                 |                          |                              |                 |                 |                 |
| Other Operating Revenue                      | 0.000           | 0.000                    | 0.000                        | 0.000           | 0.000           | 0.000           |
| Capital and Other Reimbursements             | 28.738          | 37.808                   | 37.292                       | 37.146          | 38.280          | 37.893          |
| <b>Total Receipts</b>                        | <b>\$28.738</b> | <b>\$37.808</b>          | <b>\$37.292</b>              | <b>\$37.146</b> | <b>\$38.280</b> | <b>\$37.893</b> |
| <b>Expenditures</b>                          |                 |                          |                              |                 |                 |                 |
| <b><u>Labor:</u></b>                         |                 |                          |                              |                 |                 |                 |
| Payroll                                      | \$11.923        | \$16.851                 | \$17.190                     | \$17.440        | \$17.948        | \$18.472        |
| Overtime                                     | \$0.000         | \$0.000                  | \$0.000                      | \$0.000         | \$0.000         | \$0.000         |
| Health and Welfare                           | \$2.385         | \$2.221                  | \$2.531                      | \$2.696         | \$2.913         | \$3.145         |
| OPEB Current Payment                         | \$0.000         | \$0.000                  | \$0.000                      | \$0.000         | \$0.000         | \$0.000         |
| Pensions                                     | \$2.316         | \$2.101                  | \$2.176                      | \$2.248         | \$2.346         | \$2.450         |
| Other Fringe Benefits                        | \$2.811         | \$5.328                  | \$5.501                      | \$5.722         | \$5.870         | \$6.067         |
| Reimbursable Overhead                        | \$0.000         | \$0.000                  | \$0.000                      | \$0.000         | \$0.000         | \$0.000         |
| <b>Total Labor Expenditures</b>              | <b>\$19.415</b> | <b>\$26.502</b>          | <b>\$27.398</b>              | <b>\$28.106</b> | <b>\$29.077</b> | <b>\$30.134</b> |
| <b><u>Non-Labor:</u></b>                     |                 |                          |                              |                 |                 |                 |
| Traction and Propulsion Power                | \$0.000         | \$0.000                  | \$0.000                      | \$0.000         | \$0.000         | \$0.000         |
| Fuel for Buses and Trains                    | \$0.000         | \$0.000                  | \$0.000                      | \$0.000         | \$0.000         | \$0.000         |
| Insurance                                    | \$1.081         | \$0.151                  | \$0.166                      | \$0.183         | \$0.201         | \$0.221         |
| Claims                                       | \$0.000         | \$0.000                  | \$0.000                      | \$0.000         | \$0.000         | \$0.000         |
| Paratransit Service Contracts                | \$0.000         | \$0.000                  | \$0.000                      | \$0.000         | \$0.000         | \$0.000         |
| Maintenance and Other Operating Contracts    | \$0.000         | \$0.000                  | \$0.000                      | \$0.000         | \$0.000         | \$0.000         |
| Professional Service Contracts               | \$7.580         | \$9.489                  | \$8.172                      | \$7.256         | \$7.375         | \$5.873         |
| Materials & Supplies                         | \$0.019         | \$0.031                  | \$0.025                      | \$0.031         | \$0.026         | \$0.032         |
| Other Business Expenses                      | \$0.644         | \$1.635                  | \$1.531                      | \$1.570         | \$1.600         | \$1.633         |
| <b>Total Non-Labor Expenditures</b>          | <b>\$9.323</b>  | <b>\$11.307</b>          | <b>\$9.894</b>               | <b>\$9.039</b>  | <b>\$9.203</b>  | <b>\$7.759</b>  |
| <b><u>Other Expenditure Adjustments:</u></b> |                 |                          |                              |                 |                 |                 |
| <b>Other - Restricted Cash Adjustment</b>    |                 |                          |                              |                 |                 |                 |
| <b>Total Other Expenditure Adjustments</b>   | <b>\$0.000</b>  | <b>\$0.000</b>           | <b>\$0.000</b>               | <b>\$0.000</b>  | <b>\$0.000</b>  | <b>\$0.000</b>  |
| <b>Total Expenditures</b>                    | <b>\$28.738</b> | <b>\$37.808</b>          | <b>\$37.292</b>              | <b>\$37.146</b> | <b>\$38.280</b> | <b>\$37.893</b> |
| <b>Baseline Cash Deficit</b>                 | <b>\$0.000</b>  | <b>\$0.000</b>           | <b>\$0.000</b>               | <b>\$0.000</b>  | <b>\$0.000</b>  | <b>\$0.000</b>  |

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2010-2013**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

| <b>CASH FLOW ADJUSTMENTS</b>                                 |                |                          |                              |                |                |                |
|--|----------------|--------------------------|------------------------------|----------------|----------------|----------------|
|  | <b>2008</b>    | <b>2009</b>              | <b>2010</b>                  |                |                |                |
|  | <b>Actual</b>  | <b>November Forecast</b> | <b>Final Proposed Budget</b> | <b>2011</b>    | <b>2012</b>    | <b>2013</b>    |
| <b>Receipts</b>  |                |                          |                              |                |                |                |
| Farebox Revenue  | \$0.000        | \$0.000                  | \$0.000                      | \$0.000        | \$0.000        | \$0.000        |
| Vehicle Toll Revenue   | -              | -                        | -                            | -              | -              | -              |
| Other Operating Revenue                                      | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Capital and Other Reimbursements                             | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| <b>Total Receipts</b>  | <b>\$0.000</b> | <b>\$0.000</b>           | <b>\$0.000</b>               | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Expenditures</b>  |                |                          |                              |                |                |                |
| <b><u>Labor:</u></b>   |                |                          |                              |                |                |                |
| Payroll  | \$0.000        | \$0.000                  | \$0.000                      | \$0.000        | \$0.000        | \$0.000        |
| Overtime   | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Health and Welfare   | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| OPEB Current Payment   | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Pensions   | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Other Fringe Benefits  | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Reimbursable Overhead  | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| <b>Total Labor Expenditures</b>                              | <b>\$0.000</b> | <b>\$0.000</b>           | <b>\$0.000</b>               | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b><u>Non-Labor:</u></b>                                     |                |                          |                              |                |                |                |
| Traction and Propulsion Power                                | \$0.000        | \$0.000                  | \$0.000                      | \$0.000        | \$0.000        | \$0.000        |
| Fuel for Buses and Trains                                    | -              | -                        | -                            | -              | -              | -              |
| Insurance  | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Claims   | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Paratransit Service Contracts                                | -              | -                        | -                            | -              | -              | -              |
| Maintenance and Other Operating Contracts                    | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Professional Service Contracts                               | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Materials & Supplies   | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| Other Business Expenditures                                  | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| <b>Total Non-Labor Expenditures</b>                          | <b>\$0.000</b> | <b>\$0.000</b>           | <b>\$0.000</b>               | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b><u>Other Expenditures Adjustments:</u></b>                |                |                          |                              |                |                |                |
| Other  | 0.000          | 0.000                    | 0.000                        | 0.000          | 0.000          | 0.000          |
| <b>Total Other Expenditures Adjustments</b>                  | <b>\$0.000</b> | <b>\$0.000</b>           | <b>\$0.000</b>               | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| <b>Total Cash Conversion Adjustments before Depreciation</b> | <b>\$0.000</b> | <b>\$0.000</b>           | <b>\$0.000</b>               | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |
| Depreciation Adjustment                                      | -              | -                        | -                            | -              | -              | -              |
| <b>Total Cash Conversion Adjustments</b>                     | <b>\$0.000</b> | <b>\$0.000</b>           | <b>\$0.000</b>               | <b>\$0.000</b> | <b>\$0.000</b> | <b>\$0.000</b> |

**MTA CAPITAL CONSTRUCTION**  
**November Financial Plan 2010-2013**  
**Non-Reimbursable - Reimbursable Positions at End-of-Year**  
**Full-Time Positions and Full Time Equivalents**

| FUNCTION/DEPARTMENT                | 2008<br>Actual | 2009<br>November<br>Forecast | 2010<br>Final<br>Proposed<br>Budget | 2011       | 2012       | 2013       |
|------------------------------------|----------------|------------------------------|-------------------------------------|------------|------------|------------|
| <b>Administration</b>              |                |                              |                                     |            |            |            |
| MTACC                              | 32             | 35                           | 35                                  | 35         | 35         | 35         |
| <b>Engineering/Capital</b>         |                |                              |                                     |            |            |            |
| MTACC                              | 27             | 25                           | 25                                  | 25         | 25         | 25         |
| East Side Access                   | 28             | 40                           | 40                                  | 38         | 38         | 38         |
| Security                           | 14             | 20                           | 20                                  | 20         | 20         | 20         |
| Second Avenue Subway               | 14             | 15                           | 15                                  | 14         | 14         | 14         |
| Lower Manhattan Project            | 14             | 15                           | 15                                  | 15         | 15         | 15         |
| <b>Total Engineering/Capital</b>   | <b>97</b>      | <b>115</b>                   | <b>115</b>                          | <b>112</b> | <b>112</b> | <b>112</b> |
| <b>Total Baseline Positions</b>    | <b>129</b>     | <b>150</b>                   | <b>150</b>                          | <b>147</b> | <b>147</b> | <b>147</b> |
| <i>Non-Reimbursable</i>            | -              | -                            | -                                   | -          | -          | -          |
| <i>Reimbursable</i>                | 129            | 150                          | 150                                 | 147        | 147        | 147        |
| <i>Total Full-Time</i>             | 129            | 150                          | 150                                 | 147        | 147        | 147        |
| <i>Total Full-Time Equivalents</i> | -              | -                            | -                                   | -          | -          | -          |





**Metropolitan Transportation Authority**

# **Capital Construction, Planning and Real Estate Committee Meeting**

Volume II – Real Estate

## **December 2009**

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### **Committee Members**

N. Shevell, Chair

A. Albert

N. Brown

D. Cecil

D. Frasca

J. Kay

M. Lebow

D. Mack

S. Metzger

N. Seabrook

J. Sedore, Jr.

C. Wortendyke

# **MEETING AGENDA**

## **CAPITAL CONSTRUCTION, PLANNING AND REAL ESTATE COMMITTEE**

### **Volume II - REAL ESTATE**

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#### **AGENDA ITEMS**

#### **PAGE**

#### **1. ACTION ITEMS**

#### **MTA NEW YORK CITY TRANSIT**

- a. Permit to Enter in favor of Solaris, LLC, relating to a portion of Long Island Railroad right-of-way at Block 119, Lot 4, Queens, New York 4
- b. License Agreement (including Easement Purchase Option) with Consolidated Edison, Inc., for use of a portion of MTA Property located at 38-30 & 38-32/26 43rd Street, Block 183, Lots 373 & 375, Queens, New York 5

#### **MTA LONG ISLAND RAIL ROAD**

- c. License Agreement with the Town of Brookhaven for the operation of commuter parking at LIRR's Ronkonkoma Station, Ronkonkoma, New York 7
- d. License agreement with Newsstation Inc. for the operation of a newsstand at the Flatbush Avenue station, Brooklyn, New York 8
- e. Conveyance of parcel on north side of 94<sup>th</sup> Avenue in furtherance of widening of Atlantic Avenue, Jamaica, New York 10

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- f. License agreement with BASF Catalysts, LLC for employee parking, storage, freight loading and ancillary uses along a portion of Metro-North's Hudson line right-of-way in Peekskill, New York 12
- h. License agreement with Answer Vending for the provision of snack and beverage vending machine services at MTA Metro-North stations and employee facilities 13
- i. License agreement with US Concepts LLC d/b/a Johnnie Walker Blue Label for the operation of a complimentary engraving service in the Graybar Passage Kiosk, Grand Central Terminal, New York 17

## 2. INFORMATION ITEMS

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| b. | Status report on Agreements Entered into Directly by the Real Estate Department   | 20 |
| c. | Status report on property acquisition and other transactions involving New York City  | 22 |
| d. | Status report on Grand Central Terminal Vanderbilt Hall events  | 40 |
| e. | Status report on Grand Central Terminal Graybar Passage retail kiosks   | 42 |
| f. | Amendment to lease with The Stearn Company d/b/a The Beverage Bar for the storage of inventory for tenant's business conducted in the store premises, Storage Space MC18-6, Grand Central Terminal, New York                                | 44 |
| g. | Revocable storage space license with 7 Grand Central Corp. d/b/a Tea & Honey for the storage of inventory for licensee's business conducted in the store premises, Storage Space MCS-9, Grand Central Terminal, New York                    | 46 |
| h. | Revocable storage space license with US Concepts LLC d/b/a Johnnie Walker Blue Label for the storage of inventory for licensee's business conducted in the Graybar Passage Kiosk, Storage Space MC18:1-15, Grand Central Terminal, New York | 47 |

**Date of next meeting: Tuesday, January 19, 2010, at 11:00 a.m.**

| <b><u>Legal Name</u></b>               | <b><u>Popular Name</u></b> | <b><u>Abbreviation</u></b> |
|--|----------------------------|----------------------------|
| New York City Transit Authority        | MTA New York City Transit  | NYC Transit                |
| The Long Island Rail Road Company      | MTA Long Island Rail Road  | LIRR                       |
| Metropolitan Suburban Bus Authority    | MTA Long Island Bus        | LI Bus                     |
| Metro-North Commuter Railroad Company  | MTA Metro-North Railroad   | MNR                        |
| Triborough Bridge and Tunnel Authority | MTA Bridges and Tunnels    | MTA B&T                    |
| MTA Capital Construction Company       | MTA Capital Construction   | MTACC                      |
| MTA Bus Company                        | MTA Bus Company            | MTA Bus                    |

*Staten Island Rapid Transit Operating Authority is a subsidiary of the Metropolitan Transportation Authority. Its popular name is MTA Staten Island Railway (abbreviated SIR).*


*Manhattan and Bronx Surface Transit Operating Authority is a subsidiary of the New York City Transit Authority (abbreviated as MaBSTOA).*







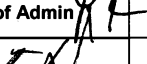

# **MTA NEW YORK CITY TRANSIT**

# Staff Summary

|   |
|---|
| Subject<br><b>PERMIT AGREEMENT</b>  |
| Department<br><b>REAL ESTATE</b>  |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>   |
| Department Head Signature<br> |
| Project Manager Name<br><b>JOHN COYNE</b>   |

|                                 |
|---------------------------------|
| Date<br><b>DECEMBER 9, 2009</b> |
| Vendor Name                     |
| Contract Number                 |
| Contract Manager Name           |
| Table of Contents Ref #         |


| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | CC/P/RE Committee | 12/09/09 | X        |      |       |
| 2            | Board             | 12/16/09 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |   |       |   |
|--------------------|---|-------|---|
| Order              | Approval  | Order | Approval  |
|                    | Executive Director  | 1     | Legal  |
| 4                  | Chief of Staff         |       |   |
| 3                  | Dep Exec Dir of Admin  |       |   |
| 2                  | Civil Rights           |       |   |

|  |  |
|--|--|
| <b>Narrative</b>   |  |
| AGENCY:  | MTA Capital Construction Company ("MTACC")   |
| PERMITTEE :  | Solaris, LLC ("Solaris")   |
| LOCATION:  | LIRR right-of-way (block 119, lot 4), adjacent to 48-39 Barnett Avenue, Queens, New York |
| ACTIVITY:  | Temporary storage and parking  |
| ACTION REQUESTED:  | Approval of terms  |
| SPACE:   | Approximately one thousand four hundred square feet (1,400 sq. ft.) of vacant land       |
| TERM:  | One year   |
| COMPENSATION:  | None   |
| <b>COMMENTS:</b>   |  |
| <p>In July 2007, the MTA acquired by eminent domain a temporary easement over the above-referenced property to support the construction of the East Side Access ("ESA") project. Such easement affects property that the fee owner, Solaris, uses for storage and parking. In consideration of Solaris foregoing a claim for additional compensation for the taking of such easement from Solaris, MTACC and LIRR have determined that MTACC can allow Solaris to use a portion of the above-referenced Long Island Rail Road right-of-way, which is directly adjacent to Solaris' property, for storage and parking for the duration of the ESA-related construction easement.</p> <p>Based on the foregoing, MTA Real Estate requests authorization to grant a revocable permit to Solaris, LLC on the above-described terms and conditions.</p> |  |

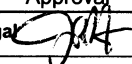

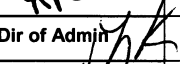
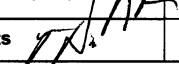


# Staff Summary

|  |
|--|
| <b>Subject</b><br><b>LICENSE AGREEMENT</b>   |
| <b>Department</b><br><b>REAL ESTATE</b>  |
| <b>Department Head Name</b><br><b>JEFFREY B. ROSEN</b>   |
| <b>Department Head Signature</b><br> |
| <b>Project Manager Name</b><br><b>JOHN COYNE</b>   |

|  |
|--|
| <b>Date</b><br><b>DECEMBER 9, 2009</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            | CC/P/RE Committee | 120/9/09 | X        |      |       |
| 2            | Board             | 12/16/09 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |   |       |   |
|--------------------|---|-------|---|
| Order              | Approval  | Order | Approval  |
|                    | Executive Director  | 1     | Legal  |
| 4                  | Chief of Staff         |       |   |
| 3                  | Dep Exec Dir of Admin  |       |   |
| 2                  | Civil Rights           |       |   |

|  |   |               |                |                   |
|--|---|---------------|----------------|-------------------|
| <b>Narrative</b>   |   |               |                |                   |
| AGENCY:  | MTA Capital Construction Company ("MTACC")  |               |                |                   |
| LICENSEE:  | Consolidated Edison, Inc. ("Con Ed")  |               |                |                   |
| LOCATION:  | Approximately 1,600 sq. ft. at 38-30 & 38-32/26 43rd Street, Block 183 (Lots 373 & 375), Queens, New York |               |                |                   |
| ACTIVITY:  | License agreement for installation of power conduit and easement purchase option for maintenance          |               |                |                   |
| ACTION REQUESTED:  | Approval of terms   |               |                |                   |
| TERM:  | Ten years   |               |                |                   |
| COMPENSATION:  | <u>Year</u>   | <u>Annual</u> | <u>Monthly</u> | <u>% Increase</u> |
|  | 1   | \$1,000.00    | \$83.33        |                   |
|  | 2   | \$1,050.00    | \$87.50        | 5.00%             |
|  | 3   | \$1,102.50    | \$91.88        | 5.00%             |
|  | 4   | \$1,157.63    | \$96.47        | 5.00%             |
|  | 5   | \$1,215.51    | \$101.29       | 5.00%             |
|  | 6   | \$1,276.28    | \$106.36       | 5.00%             |
|  | 7   | \$1,340.10    | \$111.67       | 5.00%             |
|  | 8   | \$1,407.10    | \$117.26       | 5.00%             |
|  | 9   | \$1,477.46    | \$123.12       | 5.00%             |
|  | 10  | \$1,551.33    | \$129.28       | 5.00%             |
| <b>COMMENTS:</b>   |   |               |                |                   |
| <p>MTACC requires that additional electrical capacity be installed in Long Island City by Con Ed in order to ensure that sufficient power is available to meet the increased demand created by tunnel boring operations relating to the East Side Access project. To install the additional conduit needed to provide this increase in capacity, Con Ed must access and occupy an approximately 1,600 square foot portion of property that the MTA acquired in March 2008 for use in such project.</p> <p>The license area, which is a narrow strip located at the eastern perimeter of the subject property, is currently used as an un-mapped roadway that is maintained by the New York City Department of Transportation. Any additional maintenance related to Con Ed's use will be the responsibility of Con Ed, and Con Ed will provide MTACC with customary indemnifications. The improvements to be made by Con Ed will not prevent the continued use of this portion of the property as a roadway.</p> |   |               |                |                   |

**CAPITAL CONSTRUCTION/PLANNING/REAL ESTATE COMMITTEE MEETING****License Agreement and Easement Purchase Option with Consolidated Edison, Inc., for a portion of MTA Property Located at 38-30 & 38-32/26 43rd Street, Block 183, Lots 373 & 375, Queens, New York (Cont'd)****Comments (*continued*):**

The license agreement will contain a purchase option allowing Con Ed to purchase a permanent non-exclusive easement for the maintenance of its improvements for \$9,043.00, to be exercised prior to the termination of the license agreement, subject to the making of any required SEQRA findings and MTA's determination that such a disposition would be consistent with New York Public Authorities Law §2897.


Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with Con Ed on the above-described terms and conditions.



# **MTA LONG ISLAND RAIL ROAD**



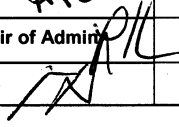
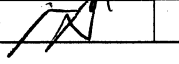


# Staff Summary

|  |
|--|
| Subject<br><b>LICENSE AGREEMENT</b>  |
| Department<br><b>REAL ESTATE</b>   |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>  |
| Department Head Signature<br> |
| Project Manager Name<br><b>ROBERT GOLDBERG</b>   |

|                                 |
|---------------------------------|
| Date<br><b>DECEMBER 9, 2009</b> |
| Vendor Name                     |
| Contract Number                 |
| Contract Manager Name           |
| Table of Contents Ref #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | CC/P/RE Committee | 12/09/09 | x        |      |       |
| 2            | Board             | 12/16/09 | x        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |   |       |   |
|--------------------|---|-------|---|
| Order              | Approval  | Order | Approval  |
|                    | Executive Director  | 1     | Legal  |
| 4                  | Chief of Staff         |       |   |
| 3                  | Dep Exec Dir of Admin  |       |   |
| 2                  | Civil Rights           |       |   |

|                   |  |
|-------------------|--|
| <b>Narrative</b>  |  |
| AGENCY:           | MTA Long Island Rail Road ("LIRR")   |
| LICENSEE:         | Town of Brookhaven   |
| LOCATION:         | Ronkonkoma station, Ronkonkoma, New York   |
| ACTIVITY:         | Commuter parking   |
| ACTION REQUESTED: | Approval of terms  |
| TERM:             | Ten years, with a ten year option  |
| SPACE:            | Approximately 294 parking spaces   |
| COMPENSATION:     | One dollar, payment waived   |
| COMMENTS:         | <p>LIRR has agreed to permit the Town of Brookhaven to operate the LIRR's new commuter parking lot at Ronkonkoma, which is currently under construction. The parking lot, identified as LIRR parking lot #111-12, is located on the north side of the right-of-way and east of the terminal building and will contain approximately 294 spaces. The project is expected to be completed by LIRR in the first quarter of 2010. Upon completion, the Town will assume responsibility for the operation and maintenance of the parking facility at its sole cost and expense. Use of the facility will not be limited to Town of Brookhaven residents and the Town will not be permitted to charge fees for the parking.</p> <p>Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with the Town of Brookhaven on the above-described terms and conditions.</p> |



# Staff Summary



Metropolitan Transportation Authority

Page 1 of 2

|  |
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| Subject<br><b>LICENSE AGREEMENT</b>                    |
| Department<br><b>REAL ESTATE</b>                       |
| Department Head Name<br><b>JEFFREY B. ROSEN</b>        |
| Department Head Signature<br>                          |
| Project Manager Name<br><b>DORRIE MASSARIA-ROBERTS</b> |

|                                 |
|---------------------------------|
| Date<br><b>DECEMBER 9, 2009</b> |
| Vendor Name                     |
| Contract Number                 |
| Contract Manager Name           |
| Table of Contents Ref #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | CC/P/RE Committee | 12/09/09 | X        |      |       |
| 2            | Board             | 12/16/09 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |                       |       |          |
|--------------------|-----------------------|-------|----------|
| Order              | Approval              | Order | Approval |
|                    | Executive Director    | 1     | Legal    |
| 4                  | Chief of Staff        |       |          |
| 3                  | Dep Exec Dir of Admin |       |          |
| 2                  | Civil Rights          |       |          |

|                   |  |               |            |                   |
|-------------------|--|---------------|------------|-------------------|
| <b>Narrative</b>  |  |               |            |                   |
| AGENCY:           | MTA Long Island Rail Road ("LIRR")                                     |               |            |                   |
| LICENSEE:         | Newsstation, Inc.  |               |            |                   |
| LOCATION:         | Atlantic Terminal Entry Pavilion, Flatbush Ave. Station, Brooklyn, NY  |               |            |                   |
| ACTIVITY:         | Operation of one newsstand   |               |            |                   |
| ACTION REQUESTED: | Approval of terms  |               |            |                   |
| TERM:             | Ten years  |               |            |                   |
| SPACE:            | Approximately 126 square feet of retail and 160 square feet of storage |               |            |                   |
| COMPENSATION:     | Retail:  |               |            |                   |
|                   | <u>Year</u>  | <u>Annual</u> | <u>PSF</u> | <u>% Increase</u> |
|                   | 1  | \$140,400.00  | \$1,114.29 |                   |
|                   | 2  | \$147,420.00  | \$1,170.00 | 5%                |
|                   | 3  | \$154,791.00  | \$1,228.50 | 5%                |
|                   | 4  | \$162,531.00  | \$1,289.93 | 5%                |
|                   | 5  | \$170,658.00  | \$1,354.43 | 5%                |
|                   | 6  | \$179,190.00  | \$1,422.14 | 5%                |
|                   | 7  | \$188,154.00  | \$1,493.29 | 5%                |
|                   | 8  | \$197,568.00  | \$1,568.00 | 5%                |
|                   | 9  | \$207,450.00  | \$1,646.43 | 5%                |
|                   | 10   | \$217,827.00  | \$1,728.79 | 5%                |

# Staff Summary

## COMPENSATION (continued)

### Storage:

| <u>Year</u> | <u>Annual</u> | <u>PSF</u> | <u>% Increase</u> |
|-------------|---------------|------------|-------------------|
| 1           | \$6,000.00    | \$37.50    |                   |
| 2           | \$6,300.00    | \$39.38    | 5%                |
| 3           | \$6,615.00    | \$41.34    | 5%                |
| 4           | \$6,948.00    | \$43.43    | 5%                |
| 5           | \$7,299.00    | \$45.62    | 5%                |
| 6           | \$7,668.00    | \$47.93    | 5%                |
| 7           | \$8,055.00    | \$50.34    | 5%                |
| 8           | \$8,460.00    | \$52.88    | 5%                |
| 9           | \$8,883.00    | \$55.52    | 5%                |
| 10          | \$9,333.00    | \$58.33    | 5%                |

### COMMENTS:

In response to a recent Request for Proposals (RFP) for the newsstand at the Atlantic Terminal entry pavilion, twelve proposals were received.


The compensation payments proposed (calculated on a present value basis, using a discount rate of 9%) ranged from \$163,766 to \$1,094,924. The highest proposal was received from Newsstation, Inc. at \$1,094,924. The remaining proposals were made by Cross Land News III, Inc. at \$852,920; Abdul Hamid at \$683,523; Rose Bangal Newsstand at \$662,876; Toppa Flushing News, Inc. at \$654,936; Zaman News at \$649,238; Jai Ambe Newsstand Corp. at \$561,491; Mofazzal H. Chowdhury at \$527,567; Shake Rassel at \$477,264; Diou Chowdhury at \$313,503; Metro News & Gifts, Inc. at \$296,340; and Bachubai Mehta at \$163,766.

Newsstation, Inc. is the month-to-month incumbent at this site and has been operating newsstands at various LIRR sites for over twenty years.

Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement with Newsstation, Inc. on the above-described terms and conditions.



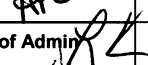
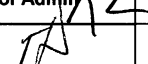


# Staff Summary

|  |
|--|
| <b>Subject</b><br><b>DISPOSITION OF PROPERTY</b>   |
| <b>Department</b><br><b>REAL ESTATE</b>  |
| <b>Department Head Name</b><br><b>JEFFREY B. ROSEN</b>   |
| <b>Department Head Signature</b><br> |
| <b>Project Manager Name</b><br><b>ORIT MANHAM</b>  |

|  |
|--|
| <b>Date</b><br><b>DECEMBER 9, 2009</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            | CC/P/RE Committee | 12/09/09 | X        |      |       |
| 2            | Board             | 12/16/09 | x        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |   |       |   |
|--------------------|---|-------|---|
| Order              | Approval  | Order | Approval  |
|                    | Executive Director  | 1     | Legal  |
| 4                  | Chief of Staff         |       |   |
| 3                  | Dep Exec Dir of Admin  |       |   |
| 2                  | Civil Rights           |       |   |

## Narrative

**AGENCY:** MTA Long Island Railroad ("LIRR")

**GRANTEE:** New York City Department of Transportation ("NYCDOT")

**LOCATION:** Approximately 879 square feet of land on the north side of 94<sup>th</sup> Avenue (a.k.a Atlantic Avenue - Block 9989, portion of lot 70) east of the Van Wyck Expressway, Jamaica, New York

**ACTIVITY:** Disposition of LIRR property to facilitate Atlantic Avenue extension, Jamaica, New York

**ACTION REQUESTED:** Approval of terms

**COMPENSATION:** One dollar, payment waived

**COMMENTS:**

As part of the widening and improvement of Atlantic Avenue in connection with the Atlantic Avenue Extension Project, the New York City Economic Development Corporation ("NYCEDC"), on behalf of NYCDOT, seeks to acquire a strip of LIRR property containing approximately 879 square feet, on the northerly side of 94<sup>th</sup> Avenue, east of the Van Wyck Expressway. The Atlantic Avenue extension is a component of the Greater Jamaica Development Corporation's redevelopment plan for the Atlantic Avenue area.

Pursuant to the Public Authorities Law, unless an exception applies, all disposals and/or transfers of interests in real property by a public authority must be made after publicly advertising for proposals. However, a disposition can be made by negotiation in instances where, as here, the disposal of property is intended to further the public health, safety, or welfare and the terms of such disposal are documented in writing and approved by resolution of the board of the public authority.

The Public Authorities Law requires the submission to the New York State Comptroller, Director of the Budget, Commissioner of General Services and Legislature of an explanatory statement for any such disposition of any real property that has an estimated fair market value in excess of \$100,000. MTA Real Estate engaged an independent appraiser, Michael Haberman, to appraise the subject property, and he estimates that the fair market value of the subject parcel is \$35,000. Since the estimated fair market value is less than \$100,000, no such explanatory statement will be required.

Based on the foregoing, MTA Real Estate requests authorization to convey the subject property to NYCDOT on the above-described terms. A requested Board resolution is attached to this staff summary.

## **BOARD RESOLUTION**

### **LONG ISLAND RAIL ROAD**

WHEREAS, the NYC Economic Development Corporation has requested that the Long Island Rail Road ("LIRR") dispose of LIRR property in connection with the widening of 94<sup>th</sup> Avenue, a/k/a Atlantic Avenue, which property is part of lot 70, block 9989, in Jamaica, Queens County, New York; and

WHEREAS, the disposition of such property will further the Greater Jamaica Development Corporation's plan for the overall redevelopment of the Atlantic Terminal area, and will help ease congestion in downtown Jamaica;

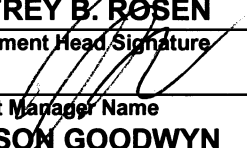
NOW THEREFORE, BE IT RESOLVED, that the Board of the LIRR hereby finds that such project will further the public health, safety and welfare and authorizes the disposition described in the staff summary to which this resolution is attached.







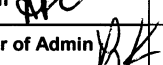
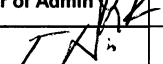
# **MTA METRO NORTH RAILROAD**

# Staff Summary

|   |
|---|
| <b>Subject</b><br><b>LICENSE AGREEMENT</b>  |
| <b>Department</b><br><b>REAL ESTATE</b>   |
| <b>Department Head Name</b><br><b>JEFFREY B. ROSEN</b>  |
| <b>Department Head Signature</b><br> |
| <b>Project Manager Name</b><br><b>BENSON GOODWYN</b>  |

|  |
|--|
| <b>Date</b><br><b>DECEMBER 9, 2009</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            | CC/P/RE Committee | 12/09/09 | X        |      |       |
| 2            | Board             | 12/16/09 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |   |       |   |
|--------------------|---|-------|---|
| Order              | Approval  | Order | Approval  |
|                    | Executive Director  | 1     | Legal  |
| 4                  | Chief of Staff         |       |   |
| 3                  | Dep Exec Dir of Admin  |       |   |
| 2                  | Civil Rights           |       |   |

## Narrative

AGENCY: MTA Metro-North Railroad ("Metro-North")

LICENSEE: BASF Catalysts, LLC ("BASF")

LOCATION: 1050 Lower South Street, Peekskill, New York

ACTIVITY: Employee parking, storage, freight loading and ancillary uses

ACTION REQUESTED: Approval of terms

TERM: Five years

RENEWAL OPTION: One, for 5 years

SPACE: Approximately 20,400 square feet of unused right-of-way

| COMPENSATION: | <u>Year</u> | <u>Annual</u> | <u>PSF</u> | <u>% Increase</u> |
|---------------|-------------|---------------|------------|-------------------|
|               | 1           | \$30,161.03   | \$1.48     |                   |
|               | 2           | \$31,065.86   | \$1.52     | 3%                |
|               | 3           | \$31,997.83   | \$1.57     | 3%                |
|               | 4           | \$32,957.77   | \$1.62     | 3%                |
|               | 5           | \$33,946.50   | \$1.66     | 3%                |

## Option Period

|    |             |        |    |
|----|-------------|--------|----|
| 6  | \$34,964.89 | \$1.71 | 3% |
| 7  | \$36,013.84 | \$1.77 | 3% |
| 8  | \$37,094.25 | \$1.82 | 3% |
| 9  | \$38,207.08 | \$1.87 | 3% |
| 10 | \$39,353.29 | \$1.93 | 3% |

## COMMENTS:

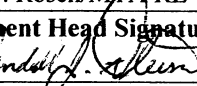
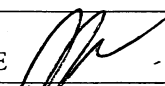
BASF, successor in interest to the Mearl Corporation, owns property adjacent to the Hudson line known as 1050 Lower South Street, Peekskill, New York. Since 1987, BASF has leased approximately 20,400 square feet of unused Metro-North right-of-way to support its business. The agreement has expired and is currently month-to-month. The site is currently used for employee parking. Other allowable uses will include storage and freight loading.

BASF, as the only adjacent property owner, is uniquely capable of making use of the subject property. The compensation was determined based on appraisals of comparable properties in the neighborhood and adjoining areas, and it is 3.48% higher than the amount that BASF is currently paying.

Based on the foregoing, MTA Real Estate requests authorization to enter into a license agreement on the above-described terms and conditions.




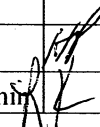


# Staff Summary

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| <b>Subject</b><br>License Agreement for System-Wide Branded Beverage and Snack Vending Services at Metro-North Railroad Passenger Stations and Employee Locations  |
| <b>Departments</b><br>MNR Business Development, Facilities and Marketing & MTA Real Estate   |
| <b>Department Head Names</b><br>Randall J. Fleischer/MNR<br>Jeffery B. Rosen/MTA RE  |
| <b>Department Head Signatures</b><br>MNR  MTARE  |
| <b>Project Manager Names</b><br>Peter Ramos / Alan Schuman / Andrew Greenberg  |

|                                 |
|---------------------------------|
| <b>Date</b><br>December 9, 2009 |
| <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            | MNR Committee     | 12//09 | X        |      |       |
| 2            | CC/P/RE Committee | 12/09  | X        |      |       |
| 3            | MTA Board         | 12/16  | X        |      |       |
|              |                   |        |          |      |       |

| Internal Approvals  |  |       |  |
|---|--|-------|--|
| Order   | Approval   | Order | Approval   |
|   | Executive Director   | 3     | Civil Rights  |
| 5  | Chief of Staff   | 2     | Legal         |
|   |  | 1     | Metro-North  |
| 4   | Dep Exec Dir of Admin  |       |  |

| <b>AGENCY:</b>           | Metro-North Commuter Railroad ("MNR")  |                                    |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
|--------------------------|--|------------------------------------|--------|---------|---|-----------|------------------------------------|---|---------|-------------|---|---------|-------------|---|---------|-------------|---|---------|-------------|---|---------|-------------|---|---------|-------------|---|---------|-------------|---|---------|-------------|----|---------|-------------|-------|-------------|--|
| <b>LICENSEE:</b>         | Answer Vending, Inc  |                                    |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| <b>LOCATION:</b>         | MNR stations and employee facilities throughout New York State   |                                    |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| <b>ACTIVITY:</b>         | License agreement for beverage and snack vending machines, including branded snack and beverage vending exclusivity rights   |                                    |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| <b>ACTION REQUESTED:</b> | Approval of terms  |                                    |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| <b>TERM:</b>             | Ten (10) years   |                                    |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| <b>COMPENSATION:</b>     | <p>Total estimated compensation of the ten year program is approximately \$3.0M, net of a \$.2M electric upgrade investment by MNR. Specifically, gross vending compensation over the ten-year term is \$1.7 million in guaranteed payments, with exclusivity compensation of nearly \$1.2 million and licensee contributions to electric upgrades to select stations of \$.32M. Revenues may be higher based upon increased sales, assignment of optional vending areas and additional exclusivity fees. Payments to MNR by the Licensee shall be composed of the following components:</p> <ul style="list-style-type: none"> <li>Minimum Annual Guaranteed Compensation ("MAG")</li> </ul> <table border="1"> <thead> <tr> <th>Year</th> <th>Annual</th> <th>Monthly</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$128,600</td> <td>\$8,100.00- 6mths/\$13,333 -6 mths</td> </tr> <tr> <td>2</td> <td>163,200</td> <td>\$13,600.00</td> </tr> <tr> <td>3</td> <td>166,464</td> <td>\$13,872.00</td> </tr> <tr> <td>4</td> <td>169,793</td> <td>\$14,149.44</td> </tr> <tr> <td>5</td> <td>173,189</td> <td>\$14,432.43</td> </tr> <tr> <td>6</td> <td>176,653</td> <td>\$14,721.08</td> </tr> <tr> <td>7</td> <td>180,186</td> <td>\$15,015.50</td> </tr> <tr> <td>8</td> <td>183,790</td> <td>\$15,315.81</td> </tr> <tr> <td>9</td> <td>187,466</td> <td>\$15,622.13</td> </tr> <tr> <td>10</td> <td>191,215</td> <td>\$15,934.57</td> </tr> <tr> <td>Total</td> <td>\$1,720,556</td> <td></td> </tr> </tbody> </table> | Year                               | Annual | Monthly | 1 | \$128,600 | \$8,100.00- 6mths/\$13,333 -6 mths | 2 | 163,200 | \$13,600.00 | 3 | 166,464 | \$13,872.00 | 4 | 169,793 | \$14,149.44 | 5 | 173,189 | \$14,432.43 | 6 | 176,653 | \$14,721.08 | 7 | 180,186 | \$15,015.50 | 8 | 183,790 | \$15,315.81 | 9 | 187,466 | \$15,622.13 | 10 | 191,215 | \$15,934.57 | Total | \$1,720,556 |  |
| Year                     | Annual   | Monthly                            |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 1                        | \$128,600  | \$8,100.00- 6mths/\$13,333 -6 mths |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 2                        | 163,200  | \$13,600.00                        |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 3                        | 166,464  | \$13,872.00                        |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 4                        | 169,793  | \$14,149.44                        |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 5                        | 173,189  | \$14,432.43                        |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 6                        | 176,653  | \$14,721.08                        |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 7                        | 180,186  | \$15,015.50                        |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 8                        | 183,790  | \$15,315.81                        |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 9                        | 187,466  | \$15,622.13                        |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| 10                       | 191,215  | \$15,934.57                        |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |
| Total                    | \$1,720,556  |                                    |        |         |   |           |                                    |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |   |         |             |    |         |             |       |             |  |

# Staff Summary

In addition to the Minimum Annual Guarantee, Licensee shall make the following payments:

- Variable Compensation Payments: When either of the following two components exceeds the MAG for any license year, Licensee shall pay to MNR the higher of the following:
  - 1) Machine-Based Compensation ("MBC"): MBC will be based on the number of machines in operation in a given license year, multiplied by an annual compensation per machine. Machines in Phase I Stations (see below) will be billed at \$1,200 per annum; machines at Phase II-IV Stations and employee facilities will be billed at \$720 per annum; machines at Yankees E. 153<sup>rd</sup> Street station will be billed at \$1,861 per annum. These figures will be increased by two percent (2%) per annum, except at Yankees E. 153<sup>rd</sup> Street station, where the annual increase will be five percent (5%).
  - 2) Percentage Compensation: Percentage Compensation will be calculated by multiplying annual gross sales from all station vending machines by 35%, and annual gross sales from all employee facility vending machines by 15%. Inclusion of this percentage compensation in the license agreement ensures that MNR will participate in the "upside" if and when the percentage compensation exceeds the MAG and MBC.
- Exclusivity payments:
  - 1) Subject to exclusive beverage brand identification and MNR approval, annual payments for brand-exclusive vending machine beverage provider rights shall be paid to MNR. Licensee has proposed and MNR will accept Coca-Cola as the exclusive provider with an initial 5 year commitment to pay \$60,000 annually. Remaining years subject to negotiation or re-solicitation.
  - 2) Subject to exclusive snack brand identification and MNR approval, annual payments for brand-exclusive vending machine snack provider rights shall be paid to MNR. Licensee has proposed and MNR will accept M&M/MARS Inc as the exclusive provider, with an initial 1 year commitment to pay \$50,000. Remaining years subject to negotiation or re-solicitation.
  - 3) An annual payment of \$8,000 for overall exclusive vending machine operator rights to be held by Licensee for stations outside of GCT.
  - 4) At MNR's election of an option, an annual payment of \$5,000 for exclusive vending machine provider rights to be held by Licensee for Grand Central/ North End Access areas.
- Electric upgrade contribution: Select stations need electric work to support the vending program and will, depending on the station, provide MNR greater electrical flexibility, for its own future needs. Licensee shall pay \$320,000 over the first three years of the agreement to compensate MNR for provision of electrical power supply for vending machines at stations. MNR shall perform additional electrical work, at its expense, estimated at \$225,000. If MNR elects to go forward with Phase IV, Licensee shall make additional electrical work contributions of up to \$13,000 per year in years 4-8, and MNR shall also make an equal investment towards electric.
- Optional Additional Machine Payments: MNR may elect to designate additional areas for vending machines in Grand Central North End Access areas and other locations yet to be identified. Payments for North-End Access machines shall be \$2,400 per annum per machine (in addition to above-referred brand exclusivity payment of \$5,000 per annum).

# Staff Summary

## NARRATIVE:

### I. Purpose

The Metropolitan Transportation Authority and Metro-North Railroad created the System-Wide Branded Vending Machine Program for Metro-North Railroad stations and employee locations to: 1) increase non-fare-based revenues to MNR through vending sales and brand exclusivity fees, and 2) provide enhanced amenities to MNR's customers and employees.

### II. Background

In August 2000, MTA Real Estate and Metro-North awarded J & S Vending (a predecessor to Answer Vending, the proposed licensee) a license under a pilot program to install and operate select machines at a few outlying Metro-North train stations. The pilot program has successfully provided non-fare-based revenues to MNR and provided its customers with amenities, without any negative impacts on the station environment. Concurrently, J&S Vending has held a license agreement providing 60 vending machines at MNR employee facilities. Through these programs combined, MNR currently receives revenues of approximately \$75,000 a year.

Following a November 2008 Request for Expressions of Interest (RFEI) to inform the solicitation, a Request for Proposals ("RFP") was issued by MTA Real Estate on behalf of MNR to nine firms that had responded to the earlier RFEI. In light of the uncertain economy and extent of capital investment required, Answer Vending was the only firm to respond to the RFP. However, the proposal was evaluated by a selection committee composed of MNR and MTA representatives that unanimously recommended proceeding with negotiations with Answer Vending, based on the following considerations:

- Answer's proposal offered a comprehensive package of additional revenue, customer amenities, and a commitment to deliver state-of-the-art vending machines using up-to-date payment methods, while also providing significant payments towards the cost of providing electrical improvements needed to accommodate vending machines at the passenger stations. Answer Vending has 20 years of vending experience serving the tri-state area, had \$27 million in sales in 2008 and is a franchisee of the Compass Group.
- A comparison of relevant vending machine programs indicates that MNR's average annual guaranteed compensation and overall net annual benefit per machine exceed those of transit peer agencies and is competitive with municipal and hospital sponsorship deals currently in the marketplace. Additional financial benefits of the deal will be realized post ramp-up when the system-wide program will be in full operation, electric upgrades will be in place, and the machine revenue will be realized along with potential sales growth.

### III. Description

#### System-Wide Branded Vending Machine Program

By offering snack and beverage companies the opportunity to install their branded machines throughout the MNR network in New York State, MNR will achieve revenues significantly in excess of those available through non-exclusive arrangements. Product mix and consumer pricing will be subject to approval by MNR. The proposed licensee has committed to including "healthy" snack and beverage choices in machines, subject to MNR approval, in addition to the traditional fare of soda and candy.

At a minimum, the proposed licensee will be required to install vending machines in three phases at MNR locations, with a fourth phase at MNR's option, as shown below:

|                   | License | At Passenger | At Employee     |          |
|-------------------|---------|--------------|-----------------|----------|
|                   | Year    | Stations     | Facilities      | Total    |
| Phase I           | 1       | 74           | 59              | 133      |
| Phase II          | 2       | 27           |                 | 27       |
| Phase III         | 3       | 18           |                 | 18       |
| Phase IV (Option) | 4-8     | Up to 29     |                 | Up to 29 |
|                   |         |              | Potential Total | 207      |

Such phased installation of the vending machines will allow MNR forces the time to complete the station electrical work required for each phase. The electric upgrade compensation mentioned above will fund a portion of MNR's electrical work. Much of the electrical work required for Phase I stations is already in place.

# Staff Summary

## Additional Terms

- The compensation structure described above will provide significant non-fare-based revenue to MNR. The exact amount of compensation in any given year will be based on annual true-up of the MAG, MBC, and Percentage Compensation (highest of the three), plus the Exclusivity and other Additional Payments. With full program roll-out, increased sales and exercise of potential options, revenues to MNR could be higher.
- If exclusive rights are not granted in any year or if full exclusive payments for that year are not be provided, then non-branded vending machines may be installed instead of branded machines. MTA/MNR reserves the right to discontinue exclusivity arrangements for corporate purposes.
- MNR will have the right to require the licensee to relocate or remove machines from the program for operational or other reasons, at MNR's sole discretion.
- At seasonal and very low traffic stations, MNR can designate select machines as "convenience machines" at 50% of MBC rent (no offset to MAG).
- The Licensee will also have the opportunity to pilot new machines, deploy units at special events/locations and test/provide new product selections.

## IV. Project Cost and Benefits

Financial benefits, as indicated above, are significant. Total estimated net compensation of the ten year program will be approximately \$3.0M, with a present value at 7% of \$2.1M. Guaranteed compensation over the ten-year term is estimated to be \$1.7 million, exclusivity compensation could be up to \$1.2 million, and optional vending areas could generate higher gross compensation. The Licensee will also provide an estimated \$320,000, with a present value at 7% of \$281,000, to support MNR's electrical work to accommodate the vending machines. MNR is expected to have an additional electric expense of \$225,000, which is included in the overall net revenue estimates above.

Nonmonetary benefits of the program will be significant as well. With MNR's trains running constantly, customers at the vast majority of stations in New York State will soon have access to a wide choice of beverage and snack amenities at all times. Additional benefits are:

1. 24/7 vending customer service and maintenance phone center, to handle refund and repair issues promptly
2. Expanded payment options for machines to accept credit/debit cards; adaptable for innovative payment methods, such as future MTA fare media
3. Enhancement of MNR employee welfare facilities by replacing vending machines at all MNR employee work areas (NYS), installing new vending machines with wide product offerings and keeping prices reasonable
4. State-of-the-art, Energy Star or other "green" vending machines where feasible.

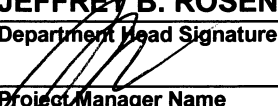
## V. Recommendation

Based on the foregoing, we request authorization to enter into a license agreement with Answer Vending, Inc. on the above-described terms and conditions.



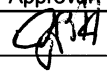

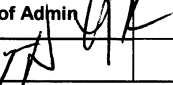
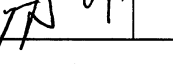


# Staff Summary

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| <b>Subject</b><br><b>LICENSE AGREEMENT</b>   |
| <b>Department</b><br><b>REAL ESTATE</b>  |
| <b>Department Head Name</b><br><b>JEFFREY B. ROSEN</b>   |
| <b>Department Head Signature</b><br> |
| <b>Project Manager Name</b><br><b>NANCY MARSHALL</b>   |

|  |
|--|
| <b>Date</b><br><b>DECEMBER 9, 2009</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            | CC/P/RE Committee | 12/09/09 | X        |      |       |
| 2            | Board             | 12/16/09 | X        |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |   |       |   |
|--------------------|---|-------|---|
| Order              | Approval  | Order | Approval  |
|                    | Executive Director  | 1     | Legal  |
| 4                  | Chief of Staff         |       |   |
| 3                  | Dep Exec Dir of Admin  |       |   |
| 2                  | Civil Rights           |       |   |

|                          |   |
|--------------------------|---|
| <b>Narrative</b>         |   |
| <b>AGENCY:</b>           | MTA Metro-North Railroad ("Metro-North")  |
| <b>LICENSEE :</b>        | US Concepts, LLC d/b/a Johnnie Walker Blue Label ("US Concepts")  |
| <b>LOCATION:</b>         | Graybar Passage, Grand Central Terminal, New York   |
| <b>ACTIVITY:</b>         | For the operation of a complimentary engraving service of Johnnie Walker Blue Label bottles   |
| <b>ACTION REQUESTED:</b> | Approval of terms   |
| <b>TERM:</b>             | December 1, 2009 – December 31, 2009  |
| <b>SPACE:</b>            | Kiosk   |
| <b>COMPENSATION:</b>     | \$25,000  |
| <b>COMMENTS:</b>         | <p>US Concepts is a subsidiary of MKTG (formally Coactive Marketing Group, Inc.). US Concepts proposes to operate a kiosk where it will provide a complimentary engraving service for Johnnie Walker Blue bottles during the month of December, 2009. US Concepts will not sell bottles at the kiosk. Consumers may bring an unopened bottle from home or a bottle purchased locally to have it engraved with a personal message.</p> <p>US Concepts has previously licensed space at GCT for this purpose. It operated in the Taxi Stand for Father's Day 2008 and in a Graybar Passage kiosk during December, 2008. We have been advised by Grand Central Wines that last year they experienced an increase in sales in the amount of \$31,740, attributed to the fact that the Johnnie Walker Blue kiosk was open. US Concepts was also pleased with the public reaction and expressed interest in returning to the Terminal and operating again in a Graybar Passage kiosk for the month of December, 2009.</p> <p>As the proposed compensation exceeds \$10,000 per month, MTA Real Estate requires, and hereby requests, specific authorization to enter into a license agreement with US Concepts on the above-described terms and conditions.</p> |



# **INFORMATION ITEMS**

# Memorandum



## Metropolitan Transportation Authority

State of New York

**Date** December 9, 2009  
**To** Members of the Capital Construction, Planning and Real Estate Committee  
**From** Jeffrey B. Rosen, Director, Real Estate  
**Re** **Status of Month-to-Month Licenses for Passenger Amenities**

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In June 1988, the MTA Board adopted a policy, which allows the Real Estate Department to enter into month-to-month agreements for "passenger service oriented concessions without individual Committee or Board approval". Attached is a status report of month-to-month agreements, which were executed pursuant to the policy.

## TENANTS CURRENTLY ON MONTH-TO-MONTH AGREEMENTS

**MONTH: DECEMBER 2009**

| AGENCY  | LOCATION (STATION)                                 | TENANT/USE                    | SF       | DATE OF AGREEMENT | MONTHLY COMPENSATION | COMMENT   |
|---------|--|-------------------------------|----------|-------------------|----------------------|---|
| 1. NYCT | WTC Station 8 <sup>th</sup> Ave. Line, Manhattan   | Fakhrul Alam/Newsstand        | 420      | January 2004      | \$121.54             | Special site conditions will require interim tenancy until there is a station rehab |
| 2. NYCT | West 4 <sup>th</sup> St. Station                   | Bachubhai Mehta/Newsstand (2) | 96<br>96 | June 2006         | \$15,435.00          | To be publicly offered prior to 12/31/09  |
| 3. NYCT | Grand Street Station (B and D trains), Manhattan   | Mahabubar Rahman              | 91       | April 2006        | \$882.00             |   |
| 4. NYCT | 179 <sup>th</sup> Street Station (F train), Queens | Bachubhai Mehta/Newsstand     | 180      | January 2008      | \$1,400.00           |   |
| 5. NYCT | 51 <sup>st</sup> Street-Lexington Avenue (6 train) | Bachubhai Mehta/Newsstand (2) | 192      | June 2008         | \$7,600.00           |   |
| 6. NYCT | Astor Place (6 train), Manhattan                   | Fakhrul Alam/Newsstand        | 60       | September 2008    | \$3,900.00           |   |
| 7. LIRR | Bellmore Station, Bellmore, NY                     | Newsstation, Inc./Newsstand   | 120      | March 2009        | \$300                | To be publicly offered  |
| 8. LIRR | Wantagh Station, Wantagh, NY                       | Newsstation, Inc./Newsstand   | 121      | March 2009        | \$300                | To be publicly offered  |
| 9. LIRR | Massapequa Station, Massapequa, NY                 | Newsstation, Inc./Newsstand   | 120      | September 2009    | \$150                | To be publicly offered  |



# Memorandum



## Metropolitan Transportation Authority

State of New York

**Date** December 9, 2009

**To** Members of the Capital Construction, Planning and Real Estate Committee

**From** Jeffrey B. Rosen, Director, Real Estate

**Re** **Report on Agreements Entered into Directly by the Real Estate Department with tenants in good standing or through the RFP or RTN process with a 5-year revenue stream, which does not exceed \$150,000, or 10-year stream not in excess of \$300,000**

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Attached is a listing of agreements entered into directly by the Real Estate Department during the preceding month, pursuant to the Board's April 26, 2007 resolution.

That resolution delegates authority to the Chairman, Executive Director, and Director of Real Estate to enter into lease or license agreements with tenants on behalf of the MTA and its agencies.

For each such agreement, the term may not exceed ten years, and aggregate compensation may not exceed \$300,000, or \$150,000 for five-year agreements. The resolution similarly delegates authority to renew license agreements with tenants in good standing with the same limitations.

# REPORT ON AGREEMENTS ENTERED INTO DIRECTLY BY THE REAL ESTATE DEPARTMENT PURSUANT TO BOARD POLICY

December, 2009

| Agency/Project Manager | Renewal/RFP Generated | Licensee                                     | Location/Use   | Term     | Rental |             | Annual Increase | Size/Weekday Ridership | Price/SF |        |
|------------------------|-----------------------|--|--|----------|--------|-------------|-----------------|------------------------|----------|--------|
| NYCT/A. Espinoza       | Renewal               | Step by Step Infant Development Center, Inc. | 38 <sup>th</sup> Street Subway Yard, Brooklyn / Playground | 10 years | 1      | \$9,810.60  | 5%              | 15,000 sq ft           | 1        | \$0.65 |
|                        |                       |  |  |          | 2      | \$10,301.13 | 5%              |                        | 2        | \$0.69 |
|                        |                       |  |  |          | 3      | \$10,816.19 | 5%              |                        | 3        | \$0.72 |
|                        |                       |  |  |          | 4      | \$11,357.00 | 5%              |                        | 4        | \$0.76 |
|                        |                       |  |  |          | 5      | \$12,492.70 | 10%             |                        | 5        | \$0.83 |
|                        |                       |  |  |          | 6      | \$13,117.33 | 5%              |                        | 6        | \$0.87 |
|                        |                       |  |  |          | 7      | \$13,773.20 | 5%              |                        | 7        | \$0.92 |
|                        |                       |  |  |          | 8      | \$14,461.86 | 5%              |                        | 8        | \$0.96 |
|                        |                       |  |  |          | 9      | \$15,184.95 | 5%              |                        | 9        | \$1.01 |
|                        |                       |  |  |          | 10     | \$15,944.20 | 5%              |                        | 10       | \$1.06 |





# Memorandum



## **Metropolitan Transportation Authority**

State of New York

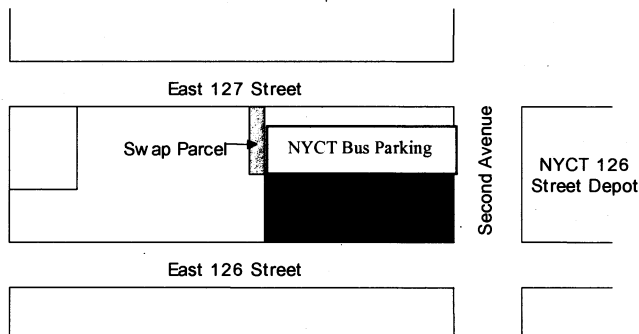
**Date** December 9, 2009  
**To** Members of the Capital Construction, Planning and Real Estate Committee  
**From** Jeffrey B. Rosen, Director, Real Estate  
**Re** **Status of Property Acquisitions and Other Transactions Involving New York City**

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Attached is Status Report of property acquisitions and other transactions involving New York City as of December 1, 2009.

### 126 Street Bus Depot, Manhattan (I. Salsberg)

**Background:** MTA -NYCT requested the acquisition of property for bus parking to accommodate capacity at the depot, which became too small when the building was renovated and bus routes were modified in response to increased ridership. Since the initial request, MTA has been working with the community and city agencies to locate suitable land in the vicinity of the depot to accommodate its short and long-term needs.



The primary site is a portion of land directly across the street from the depot (Block 1791 part of Lot 1). That site is City-owned and has long been designated for housing as the largest single tract of land available for such use. The community has been opposed to the change in use or to the possible construction of a bus facility next to the housing. NYCT considered over 20 alternate sites, including a site at 128th Street and 2nd Avenue formerly used by the American Bus Company under lease from the City, and property along Marginal Street and under the Triborough Bridge used by Sanitation for storage of salt used for snow removal.

In 1990, with the assistance of the Mayor's office, MTA acquired the American Bus Company site, used for storage and light maintenance of buses. In 1991, MTA acquired the northeast corner of Block 1791 from a private owner, now used for nighttime bus parking.

In December 1993, a Memorandum of Understanding between NYCT and the City was executed. Under the MOU, NYCT would acquire a mid-block, sliver building (the "Hidalgo" building) and swap it with the City for the portion of Lot 1 originally requested. The combined 1991 acquisition and this lot would form a merged lot along 2nd Avenue 198' wide and approximately 250' deep, which would meet 90-100% of the depot's requirements.

While NYCT and NYC Department of Housing Preservation and Development (HPD) were proceeding with environmental property surveys as per the MOU, HPD attorneys determined that this transfer would require a full ULURP (instead of a modified ULURP pursuant to 1983 legislation expediting the process for MTA), an amendment to Urban Renewal Plan, and a rezoning of the lot from R-7 to an M1-3.

In 1996, HPD agreed to commence the ULURP action for the transfer. The Transportation Committee of Community Board 11 voted in favor of the transfer from HPD to NYCT, but the Land Use Committee opposed it. After confirming that it had all the information required to commence the ULURP in April 1997, however, HPD requested additional environmental surveys. At the end of the year, HPD granted permit to allow NYCT's contractor on the property, and NYCT completed its environmental assessment and additional borings. NYCT sent the environmental assessment to HPD in November.

In 1998, MOT intervened to seek an interim parking permit for the lot. HPD requested certain information, including detailed parking plans, copies of the Environmental Impact Statement, and results of the test borings. The interim license was executed in March.

HPD circulated the EIS to City Planning and City DOT for comments. With its consultant, HPD prepared the City Environmental Quality Review ("CEQR") in the summer of 1998 and ultimately granted a negative declaration in December. Concurrently, HPD was working on the ULURP application in anticipation of completion the pre-certification work and set up a pre-ULURP meeting with the City Planning Legal to review planning issues.

During 1999 and 2000 NYCT and MTA-RED worked with our environmental consultants, HPD, and

**126 Street Bus Depot, Manhattan (I. Salsberg)**

DCP to try to finalize the ULURP application.

In 2003 EDC discussed an alternate option for property. EDC's proposal was to include MTA, HPD & private property in a development proposal for two full city blocks.

MTA worked with EDC and their designated developer. EDC proposed & MTA agreed to include the required bus parking as an underground element. (GRID) MTA and GRID worked on scope, cost, constructability of the underground bus facility for 3 years.

In 2006 MTA was notified by EDC that project was on hold & a new RFP would be issued. MTA participated & coordinated w/EDC in the RFP process.

- 3/27/06 EDC has notified MTA that the project is temporarily on hold until they fully engage the community in the process.
- 5/22/06 EDC is preparing to issue a new RFP for the development. EDC, NYCT and MTA to meet so we can provide EDC with all of our requirements and specifications for the underground bus parking component of project.
- 6/26/06 Project currently on hold.
- 9/25/06 MTA-RE met with EDC and representatives from the Mayor's office on 9/7/06. EDC is drafting a new RFP for the development of a retail, commercial and residential complex that will house NYCT's bus parking in the basement. MTA, NYCT to provide requirements to EDC.
- 11/27/06 EDC issued RFP. Pre-proposal conference scheduled for 10/15/06.
- 12/11/06 RED attended pre-proposal conference conducted by EDC, still negotiating terms of MOU.
- 1/29/07 MTA finalizing MOU with EDC. MOU will have provisions for future Second Avenue Subway ancillary facility on small parcel included in RFP. Staff Summary included in action items for January 2007.
- 2/26/07 MTA submitted final comments to EDC. Waiting for EDC and City Planning to finalize zoning issues concerning Second Avenue Subway provision.
- 3/26/07 MTA to provide EDC with dimensions for the space required for Second Avenue Subway.
- 4/24/07 MTA & EDC to coordinate ownership issues and bus traffic alternatives.
- 6/25/07 Met with EDC to discuss next steps.
- 7/17/07 MTA & Buses provided EDC with information required for EIS.
- 9/24/07 MTA working with EDC & developers to answer questions concerning the MTA portion of the development.
- 12/17/07 MTA received cost estimate from EDC for construction of underground parking portion of facility
- 1/28/08 Various options being evaluated
- 4/23/08 EDC, in 2008, told MTA that underground bus parking should be reconsidered & proposed that MTA re-build adjacent depot in lieu of the underground parking.



**126 Street Bus Depot, Manhattan (I. Salsberg)**

- 5/22/08      ULURP clock started 3/24/08. Meeting with MTA Real Estate, NYCT Government and Community Relations, Mayor's Office and EDC on 4/10/08 to discuss project. CPM to review EDC's proposed construction costs for underground bus parking facility.
- 6/23/08      Referred EDC to contact person at NYCT Operations Planning for review and comment on DEIS
- 10/27/08     City Council approved the proposed rezoning of EDC's development site on 10/7/08. Plans do not include underground parking for MTA-NYCT Buses.

**Second Avenue Subway, Phase I, Manhattan (H. Cinque)**

**Background:** Phase 1 of the Second Avenue Subway ("SAS") project will construct a new two-track subway under 2<sup>nd</sup> Avenue in the borough of Manhattan. Three (3) new subway stations will be built at 96<sup>th</sup>, 86<sup>th</sup>, & 72<sup>nd</sup> Streets, and the existing station at 63<sup>rd</sup> Street & Lexington Avenue will be upgraded. In addition to the tunneling and build-out of station shells, ancillary facilities will be constructed to provide proper ventilation, emergency egress and other support functions.

SAS is being constructed along a highly-developed corridor with numerous real estate interests, and MTA Real Estate and MTA CC have made every effort to accommodate them to the best of our ability. As the new stations will be accessible via escalators and elevators, the station envelope is necessarily larger than existing subway stations and therefore requires the acquisition of more property interests than previously-built stations. Wherever feasible, the MTA has sought to place station entrances in open spaces such as public plazas or inside buildings.

In circumstances where station entrances and facilities will occupy portions of public plazas, property owners have raised the issue of remaining in compliance with the City's Zoning Resolution, specifically what is referred to as the plaza bonus. The Mayor's Office of Operations is coordinating a meeting with the Department of City Planning and MTA to resolve zoning issues.

Likewise, the MTA has been coordinating with New York City Department of Transportation ("DOT") in sending out notices of termination of sidewalk permit interests, including vaults. All of the affected property owners, tenants, and interested parties have been notified. MTA will coordinate with all of the affected parties individually in order to address any unusual circumstances and move the project forward.

- 10/22/07 Meeting with MTA and Department of City Planning successful. MTA is waiting for a letter summarizing conclusions regarding zoning compliance. Mailing of DOT notices pending due to court challenge.
- 1/28/08 DOT letters sent November 9, 2007
- 04/23/08 MTA coordination w/DOT, DOB & Mayors Office of operations for mailing of additional termination notices for sidewalk encroachment
- 06/23/08 Sidewalk encroachment termination letters will be sent out by NYC Department of Consumer Affairs. Meeting to be scheduled with Department of City Planning to finalize zoning compliance issues in public plazas where a new SAS entrance will be constructed.
- 09/22/08 Termination letters sent out, MTA sent follow up letter addressing DOB's cellar door access issues.
- 11/17/08 NYC Department of Consumer Affairs sent sidewalk café permit termination letters to four cafes in the vicinity of 72<sup>nd</sup> Street shaft construction.
- 02/23/09 MTA coordinating with MOO for mailing of termination notices for sidewalk encroachments associated with CCC's 86<sup>th</sup> Street 5A contract.
- 4/29/09 Termination letters for terminating sidewalk encroachments to be mailed by April 15, 2009.
- 6/22/09 Termination letters sent out. MTA coordinating with MOO for mailing of category 5B encroachment letters.



- 7/22/09 NYC Dept. of Consumer Affairs & MTA working together to coordinate suspension and re-instatement of unenclosed sidewalk cafés to allow rest to retain use of space as long as possible.
- 9/21/09 Category 5B encroachment letters mailed out.

**Fordham Station, Bronx (D. Roth)**

Background: Metro-North intends to acquire a fee or permanent easement interest in approximately 2,800 square feet of parkland to facilitate the extension of the existing southbound platform at the Fordham Road Passenger Station.

Initially, this project was delayed pending funding approval. Beginning in May 1993, Real Estate began the process to secure: (i) access during construction; and (ii) a permanent interest thereafter, in City of New York Parks property at the Fordham Station.

By September 1993, Parks had identified MTA NYCT property to exchange for the property required by MTA Metro-North. Subsequently, legislation was secured, approving the transfer. Parks was to have the swap property surveyed. In the interim, Parks intended to grant temporary access for construction, first by Memorandum of Agreement, and second by permit. The permit was granted to MTA Metro-North in March 1995.

In 1996, activity consisted of waiting for Parks to complete a survey of the property it required as a swap for the Fordham platform extension process. Ultimately, Parks stated that it could not perform the survey. By the end of 1997, Real Estate had, after difficulty with a surveyor, dismissed same.

In 1998, surveys were completed and forwarded to Parks. The Mayor's Office of Transportation ("MOT") intervened to expedite property conveyance. In 1999, DCAS was brought into the process and all documentation relative to the legislation was forwarded for their review.

Re-sent survey of swap property to MOT and held meeting in March 2000 between MTA, MOT, and Corporation Counsel for the purposes of facilitating closure. Forwarded additional documentation to Corporation Counsel following meeting. Upon review of indenture, Corporation Counsel sought assurances from Parks Department that Metro North improvements to Rose Hill Park were sufficient. MTA incorporated City comments and prepared subsequent drafts. For the rest of 2000, MOT attempted to work with Parks to obtain confirmation that improvements to Rose Hill Park were sufficient.

- 1/18/01      Awaiting Parks Department approval of Metro-North Improvement to Rose Hill Park.
- 2/15/01      Contacted Parks regarding update on status of approval of MN Improvements.
- 3/12/01      Parks to send personnel to inspect site, confirm metes and bounds, and issue approval letter that MN work has been sufficiently completed.
- 4/23/01      Parks inspected property to be transferred and MN improvements to Rose Hill Park. Parks drafting letter to acknowledge MN work completed.
- 5/17/01      Parks now claiming landscaping improvements by MNR incomplete. Punch list requested from Parks. Site visit with Parks scheduled for 5/10/01..
- 7/19/01      Site visit with Parks on 6/21. Received punch list from Parks of needed MNR work. Submitted information to Parks indicating that MNR paid contractors and Parks in 1995 to complete disputed work.
- 9/11/01      Parks satisfied that MNR completed required work. Parks will be sending letter to NYC Corporation Counsel.
- 11/15/01      Parks has still not completed letter. Parks to draft and send to NYC Corporation Counsel this week.
- 12/17/01      Parks sent letter to NYC Corporation Counsel indicating MNR obligations to Parks are fulfilled and recommending land swap finalized.





**Fordham Station, Bronx (D. Roth)**

1/17/02 Fordham Station file copied and sent to NYC Corporation Counsel.

9/19/02 MTA Real Estate has written a letter to the NYC Corporation Counsel requesting the execution of the indenture.

12/15/03 MTA Real Estate has written to NYC Corporation Counsel seeking execution of this indenture.

5/20/04 MTA raised this issue in a phone conversation with NYC Corporation Counsel.

3/27/06 MTA has contacted NYC Corporation Counsel in an effort to conclude this transaction.

4/24/06 MTA has contacted NYC Corporation Counsel in an effort to conclude this transaction. NYC Corporation Counsel to review documents.

07/24/06 NYC Corporation Counsel requires City to perform a title report for the property in question to confirm ownership.

10/23/06 NYC Corporation Counsel has confirmed intent to close in telephone conversation of 10/04/06.

11/27/06 At a meeting with NYC DOT, NYC Corporation Counsel has advised MTA and MNR that the City will take steps to help bring transaction to a close.

12/11/06 City has confirmed ownership of property to be transferred to City from MTA. City is in possession of indenture and has indicated it will bring this land swap to completion.

01/29/07 NYC Corporation Counsel has indicated by telephone conference call that the City will take steps to bring this land swap to completion shortly.

2/26/07 NYC Corporation Counsel has indicated that the City has reviewed the Indenture Agreement and is researching parcel to be conveyed to City with the Bronx Borough President

3/26/07 NYC Corporation Counsel has indicated the City has reviewed Indenture Agreement and is researching parcel to be conveyed to City with the Bronx Borough President. MTA has reached out to NYC Corporation Counsel in an effort to move transaction towards a conclusion.

4/24/07 NYC Corporation Counsel has indicated the City has reviewed Indenture Agreement and is researching parcel to be conveyed to City with the Bronx Borough President. MTA, in an effort to move transaction towards a conclusion, has provided NYC Corporation Counsel with its documentation on said parcel. NYC Corporation Counsel has also indicated supporting information from the Bronx Borough President's Office is expected.

5/25/07 NYCT may need to control all of its property that it intended to swap for immediate staging and construction purposes. Details to be worked out with NYC Corporation Counsel.

1/28/08 NYCT's contractor has delivered title work to determine actual boundaries between us and NYC Parks



**Fordham Station, Bronx (D. Roth)**

- 4/23/08 Joint site visit this month between MTA and NYC Parks confirmed that Block 4011, Lot 111 is the property to be "swapped." Draft MOU to be revised to identify this property in the swap, and specify that title to property transfer to Parks upon the completion of NYCT's "East 180<sup>th</sup> St. Signals Rehabilitation" project.
- 6/23/08 RED re-drafting MOU
- 9/22/08 Finalizing terms and conditions of an MOU, which will include project improvement details and the associated improvement costs.
- 12/15/08 NYC Corporation Counsel reports no change in approval status
- 2/23/09 Draft MOU and a copy of a prior Indenture forwarded to NYC Parks for their review.
- 3/23/09 Draft MOU and indenture undergoing review at MTA-Legal.
- 6/03/09 Draft MOU sent to Parks Department for review.
- 9/21/09 Draft MOU in review with Parks Department.
- 10/21/09 Draft MOU in review with Parks Department. Update requested.
- 11/9/09 Parks Department and MTA-RED agree to use a letter from MTA to Parks to memorialize the terms of the land swap.

**Submarine Cable Replacement Project, Manhattan/Bronx (A. Jhamb)**

Background: Metro-North requires NYCDOT property and a temporary construction easement at 135 Street and the East River, to serve as the Manhattan access point for a new communication/signal/ power cable to replace the current obsolete and damaged submarine cable. Access to the Bronx side will be on private property.

From July 1993 to January 1995, RED negotiated with New York City Parks to secure property rights to effect this construction project. As those negotiations failed, Real Estate approached NYCDOT to use an easement it possesses to install the communications cable. Directives from the All-Agency Conference were implemented.

In advance of the permanent indenture for the Manhattan side of the project, the requisite temporary permits were secured from NYCDOT and NYSDOT in January 1996, thereby enabling construction to begin.

On the Bronx side, redesign of the project led to shifting locations for construction. The final location for the permanent easement is on property held in bankruptcy. A temporary easement was secured in 1997 for construction. The permanent easement will be secured through a Board approved eminent domain action.

In 2000, RED transmitted additional information to MOT at its request. Deal closed on private Bronx private in February. Meeting held in March 2000 between MTA, MOT, and Corporation Counsel for the purposes of facilitating closure. Forwarded additional documentation and revised indenture to Corporation Counsel following meeting. The rest of 2000 was spent attempted to secure approval of indenture and the year ended with the onset of the compensation impasse.

- 2/15/01 RED forwarded letter to MOT requesting waiver of compensation as per 1988 Agreement between NYC and MTA.
- 3/12/01 MOT forwarded NYCDOT request for easements from MTA.
- 4/23/01 MTA processing NYCDOT request. NYC still considering MTA request for fee waiver.
- 5/17/01 NYC and MOT still considering MTA request for fee waiver.
- 7/19/01 MOT will not waive consideration.
- 12/17/01 RED sent letter to NYC Corporate Counsel requesting conveyance of this property, in accordance with MOU, due to its nominal value.
- 04/26/04 City indicated that DCAS and Law Department will require updated appraisal of the property and that the re-appraisal will be completed in May.
- 09/27/05 MTA has contacted DCAS to try to revive this effort.
- 01/23/06 MTA has reached out to DCAS/Division of Real Estate Services in an effort to move this project forward.
- 02/27/06 MTA has contacted DCAS to revive the above effort for appraisal.
- 03/27/06 Discussions between MTA and NYC DCAS continue in working towards re-appraisals and conveyance of properties.
- 4/24/06 Discussions between MTA and NYC DCAS continue in working towards conveyance of properties.



**Submarine Cable Replacement Project, Manhattan/Bronx (A. Jhamb)**

10/23/06 RED has enlisted the support of NYC DOT to reach out to DCAS in an effort to bring this transaction to a close.

11/27/06 At a meeting with NYC DOT, NYC Corporation Counsel has advised MTA and MNR that the City will take steps to help bring transaction to a close.

01/29/07 NYC Corporation Counsel has advised MTA and MNR by telephone that the City will take steps to help bring this transaction to a close and will contact MTA shortly.

2/26/07 NYC Corporation Counsel has advised MTA and MNR by telephone that the City will review transaction and will contact MTA shortly.

3/26/07 MTA has reached out to NYC Corporation Counsel in an effort to move transaction towards a conclusion.

4/24/07 MTA, in an effort to move transaction towards a conclusion, has provided NYC Corporation Counsel with duplicates of the most recent drafts of this Indenture Agreement for review.

5/25/07 MTA is awaiting response from NYC Corporation Counsel.

6/23/08 MTA Police have raised concerns about public access to Harlem River via the cable subchamber access point. MTA MNR pursuing legal options to install temporary barriers around subchamber.

10/27/08 MTA has once again reached out to NYC Corporation Counsel in an effort to move transaction towards a conclusion.

12/15/08 NYC Corporation Counsel reports no change in approved status.

2/23/09 NYC Corporation Counsel reports no change in approval status.

4/27/09 NYC Corporation Counsel reports no change in approval status.

7/22/09 No response to messages left for NYC Corporation Counsel.

10/21/09 NYC Corporation Counsel reports no change in approval status.

**Park Avenue Viaduct, Manhattan (A. Jhamb)**

Background: Metro-North requires six 10'x10' City parcels to serve as new column footings at 126 to 127 Streets to accommodate the proposed widening of the elevated 125th Street Station.

From September 1993 through April 1994, RED secured all requisite approvals and a permit to commence construction.

RED drafted the permanent indenture for the property required and forwarded it to Corporation Counsel in April 1996. Over the next five months, Corporation Counsel requested and received additional information from RED. Subsequently, Corporation Counsel submitted all information to the City's Department of Citywide Administrative Services to complete an appraisal.

In 1997, Board Member and MOT assistance was requested in expediting the execution of the indenture conveying the necessary property interests and finalizing an agreement regarding the waiver of compensation. In 1998, MOT consented to a waiver of compensation but no agreement was executed. Throughout 1999, several meetings were held to resolve the open issues with Corporation Counsel and numerous draft documents were exchanged.

Meeting held in March 2000 between MTA, MOT, and Corporation Counsel for the purposes of facilitating closure. Forwarded additional documentation and revised indenture to Corporation Counsel following meeting. The rest of 2000 was spent attempted to secure approval of indenture and the year ended with the onset of the compensation issue.

- 2/15/01 RED forwarded letter to MOT requesting waiver of compensation as per 1988 Agreement between NYCT & MTA.
- 3/12/01 MOT forwarded NYCDOT request for easements from MTA.
- 4/23/01 MTA processing NYCDOT requests. NYC and MOT still considering MTA request for fee waiver.
- 5/17/01 NYC and MOT still considering MTA request for fee waiver.
- 7/19/01 MOT will not waive consideration.
- 4/26/04 City indicated that DCAS and Law Department will require updated appraisal of the property and that the re-appraisal will be completed in May.
- 09/27/05 MTA has contacted DCAS in an effort to move this project forward.
- 1/23/06 MTA has reached out to DCAS/Division of Real Estate Services in an effort to move this project forward.
- 2/27/06 MTA has contacted DCAS to revive the above effort for appraisal.
- 3/27/06 Discussions between MTA and NYC DCAS continue in working towards re-appraisals and conveyance of properties.
- 4/24/06 Discussions between MTA and NYC DCAS continue in working towards conveyance of properties.
- 10/23/06 RED has enlisted the support of NYC DOT to reach out to DCAS in an effort to bring this transaction to a close.
- 11/27/06 At a meeting with NYC DOT, NYC Corporation Counsel has advised MTA and MNR that the City will take steps to help bring transaction to a close.



**Park Avenue Viaduct, Manhattan (A. Jhamb)**

- 01/29/07 NYC Corporation Counsel has advised MTA and MNR by telephone that the City will take steps to help bring this transaction to a close and will contact MTA shortly.
- 2/26/07 NYC Corporation Counsel has advised MTA and MNR by telephone that the City will review transaction and will contact MTA shortly.
- 3/26/07 MTA has reached out to NYC Corporation Counsel in an effort to move transaction towards a conclusion.
- 4/24/07 MTA, in an effort to move transaction towards a conclusion, has provided NYC Corporation Counsel with duplicates of the most recent drafts of this Indenture Agreement for review.
- 5/25/07 MTA is awaiting response from NYC Corporation Counsel.
- 7/17/07 NYC Corporation Counsel provided comments to draft. MTA incorporated comments as changes to electronic file and returned to Corporation Counsel for review.
- 9/24/07 NYC Corporation Counsel received six (6) copies of agreement and is processing for signature by Deputy Mayor
- 1/28/08 MNR underscored its position regarding its right to install the supports and at no fee to the City by citing the "Viaduct Access Agreement." NYC Corporation Counsel is in general agreement with the proposal but is reviewing the language in the Agreement before proceeding
- 4/23/08 Agreement is on hold as per NYC Corporation Counsel until it can be confirmed that the installation falls within the City's no-fee parameter. Awaiting MNR to provide the technical information to make this determination
- 6/23/08 RED to seek assistance from Mayor's Office of Operations to approve the indenture.
- 10/27/08 MTA has once again reached out to NYC Corporation Counsel in an effort to move transaction towards a conclusion.
- 12/15/08 NYC Corporation Counsel reports no change in approved status.
- 2/23/09 NYC Corporation Counsel reports no change in approval status.
- 4/27/09 No word received on NYC response to MTA's justification of a no-fee transfer.
- 7/22/09 No response to messages left for NYC Corporation Counsel.
- 10/21/09 NYC Corporation Counsel reports no change in approval status.

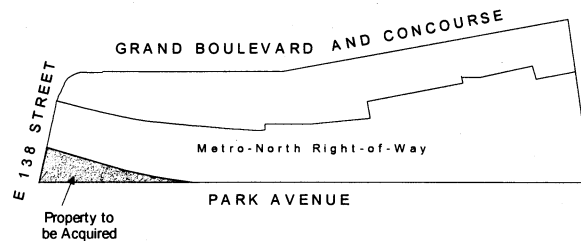
**Park Avenue and East 138 Street, Bronx (A. Jhamb)**

**Background:** Metro-North requires 5,582 square feet of Park Avenue to protect its existing power and communication lines for the Harlem River Lift Bridge and its signal lines under the viaduct. The property is also required to maintain its retaining wall.

From January to May 1994, RED secured the City's approval to withdraw the subject property from its auction list and to convey it to MTA Metro-North. In 1996, and again in 1997, Metro-North reiterated that it still required the property. After a few false starts, an All-Agency Conference was held 7/31/97.

In 1997, MTA and MN forwarded a request to MOT for the transfer of the property interests. In July, MOT convened an All-Agency Conference, at which several issues were raised, including compensation and the preparation of an appraisal. Throughout 1998, MOT negotiated compensation and worked with DCAS to complete appraisal. In 1999, DCAS completed its appraisal. MTA drafted an Indenture for the transfer of land from the City to the MTA.

Meeting held in March 2000 between MTA, MOT, and Corporation Counsel for the purposes of facilitating closure. Forwarded additional documentation and revised indenture to Corporation Counsel following meeting. The rest of 2000 was spent attempted to secure approval of indenture and the year ended with the onset of the compensation issue.



- 2/15/01 RED forwarded letter to MOT requesting waiver of compensation as per 1988 Agreement between NYC and MTA.
- 3/12/01 MOT forwarded NYCDOT request for easements from MTA.
- 4/23/01 MTA processing NYCDOT requests. NYC still considering MTA request for fee waiver.
- 5/17/01 DCAS informed MTA that property would be auctioned. DCAS removed property from auction list after request by MTA and efforts of MOT.
- 7/19/01 MOT will not waive consideration.
- 4/26/04 City indicated that DCAS and Law Department will require updated appraisal of the property and that the re-appraisal will be completed in May.
- 09/27/05 RED contacted DCAS in an effort to expedite this project.
- 1/23/06 MTA has reached out to DCAS/Division of Real Estate Services in an effort to move this project forward.
- 2/27/06 MTA has contacted DCAS to revive the above effort for appraisal.
- 3/27/06 Discussions between MTA and NYC DCAS continue in working towards re-appraisals and conveyance of properties.
- 04/24/06 Discussions between MTA and NYC DCAS continue in working towards conveyance of properties.
- 10/23/06 RED has enlisted the support of NYC DOT to reach out to DCAS in an effort to bring this transaction to a close.



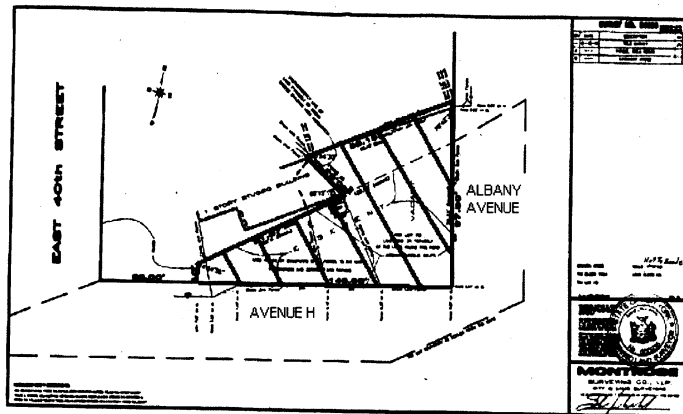
**Park Avenue and East 138 Street, Bronx (A. Jhamb)**

|          |  |
|----------|--|
| 11/27/06 | At a meeting with NYC DOT, NYC Corporation Counsel has advised MTA and MNR that the City will take steps to help bring transaction to a close.                                     |
| 01/29/07 | NYC Corporation Counsel has advised MTA and MNR by telephone that the City will take steps to help bring this transaction to a close and will contact MTA shortly.                 |
| 2/26/07  | NYC Corporation Counsel has advised MTA and MNR by telephone that the City will review transaction and will contact MTA shortly.   |
| 3/26/07  | MTA has reached out to NYC Corporation Counsel in an effort to move transaction towards a conclusion.  |
| 4/24/07  | MTA, in an effort to move transaction towards a conclusion, has provided NYC Corporation Counsel with duplicates of the most recent drafts of this Indenture Agreement for review. |
| 5/25/07  | MTA is awaiting response from NYC Corporation Counsel.   |
| 10/27/08 | MTA has once again reached out to NYC Corporation Counsel in an effort to move transaction towards a conclusion.   |
| 12/15/08 | NYC Corporation Counsel reports no change in approval status.  |
| 2/23/09  | NYC Corporation Counsel reports no change in approval status.  |
| 2/23/09  | NYC Corporation Counsel reports no change in approval status.  |
| 4/27/09  | NYC Corporation Counsel reports no change in approval status.  |
| 7/22/09  | No response to messages left for NYC Corporation Counsel.  |
| 10/21/09 | NYC Corporation Counsel reports no change in approval status.  |



**Avenue H and Albany Avenue, Brooklyn (K. Olmsted)**

Background: LIRR currently leases approximately 8,000 SF of property located at the intersection of Avenue H and Albany Avenue in Brooklyn and identified on the Kings County tax map as Section 3, Block 7724, Lot 73 ("Premises"), to Euclid Realty Corp. ("Euclid"). Euclid has been a tenant at the Premises, operating an adjacent gas station and auto repair shop since 1954. Euclid requested a transfer of the Premises and LIRR agreed.



However, before the transfer could be undertaken, MTA Real Estate had to receive approval from the New York State Department of Transportation ("NYSDOT"), NYSDOT reviewed the transfer request and notified MTA Real Estate pursuant to Section 18 of New York State Transportation Law (Section 18), that the New York City Department of Transportation ("NYCDOT") was assigned the preferential right to acquire a portion of the Premises. Section 18 requires that NYSDOT notify local municipalities and agencies when certain abandoned railroad property is to be transferred. NYCDOT examined the Premises and determined that it would like to acquire a portion of the Premises that is located in the bed of Avenue H and Albany Avenue bridge structures.

Section 18 further requires that MTA Real Estate negotiate with NYCDOT for the transfer of the Premises. Negotiations have commenced and MTA Real Estate requested that NYCDOT submit a proposal in the amount of \$73,000, for the purchase of the entire Premises (not just the portion NYCDOT initially expressed interest in). This proposed amount is based upon an appraisal that MTA Real Estate undertook when considering a transfer of the Premises to Euclid. NYCDOT is currently working on procuring its own appraisal for the Premises. Negotiations will continue once the NYCDOT appraisal is completed.

- 5/20/04 Letter to NYSDOT requesting to be released from Section 18 obligation to negotiate with NYCDOT, as NYCDOT could not acquire Premises within the statutorily required 180-day timeframe. Letter Agreement to NYSDOT for execution, authorizing the transfer of the Premises to either Euclid or NYCDOT. NYSDOT consent required pursuant to the terms of the Bay Ridge Acquisition and Rehabilitation Agreement, between LIRR and NYSDOT.
- 7/22/04 Contacted NYSDOT for status of Section 18 Release Agreement. Forwarded copy of Bay Ridge acquisition and Rehabilitation Agreement as requested by NYSDOT.
- 10/25/04 NYSDOT indicates a reluctance to execute letter agreement, as it would allow the possible transfer of the Premises to Euclid, which is a private company. NYSDOT seems more willing to authorize a transfer to NYCDOT, as it is a public agency. Requested a final determination on matter from NYSDOT
- 1/24/05 As requested by NYSDOT, we have forwarded a copy of the Stipulation of Settlement between MTA and Euclid, as well as another copy of the project pictures and explanation of MTA's request for NYSDOT approval of the transfer.



**Avenue H and Albany Avenue, Brooklyn (K. Olmsted)**

- 6/27/05 Letter to NYSDOT requesting status of their review and approval of this matter, pointing out that we have been trying to secure such approval since May of 2002 and reminding NYSDOT that the LIRR/NYSDOT Bayridge agreement states that such approval shall not be unreasonably withheld.
- 10/25/05 Received executed LIRR/NYSDOT agreement letter from NYSDOT, as required by the LIRR/NYSDOT Bayridge agreement. We will update the estimated appraised value.
- 1/23/06 Real Estate will follow-up in obtaining updated appraised value of the property and obtain survey required for transfer of the property.
- 06/26/06 An estimate of value for the subject property has been updated. The survey of the surface area is completed. MTA Legal and Real Estate will review the terms and conditions of the proposed transfer of the property.
- 1/29/07 Real Estate will draft the proposed transfer of property to include MTA Legal Department's input, particularly regarding reservations and restrictions that may be required due to the site being located above the tracks on the Bay Ridge Branch right of way.
- 2/26/07 Received letter from Russell Holcomb, P.E., Deputy Chief Engineer of NYC DOT stating DOT's interest in purchasing this property and attaching copy of ULURP application seeking authorization of the purchase.
- 4/24/07 NYC DOT is looking to expedite both the CEQRA Process and the Brooklyn Borough President sign off on the ULURP maps. DOT will be meeting with the Brooklyn Borough President's office to determine when Department of City Planning can be expected to certify the ULURP application which will commence the ULURP time period. ULURP certification is expected in 2-3 months.
- 6/25/07 NYCDOT expects the Department of City Planning to certify NYCDOT's ULURP application by the end of August 2007, at which time the 5-6 month ULURP process will commence.
- 10/22/07 Brooklyn Borough President signed off on the proposed alteration map and the ULURP certification is scheduled for October 15, 2007. Once certification is given, the 5-6 month ULURP process will commence.
- 11/26/07 NYC DOT's ULURP application was certified by the Department of City Planning and the ULURP process has commenced as of 10/29/07. NYC DOT is preparing a notice to tenant, Euclid.
- 12/17/07 As per NYC DOT, DOT's ULURP application in connection with its proposed acquisition of this property from the MTA was approved by Community Boards 17 and 18 on November 21, 2007. The application now moves before the Brooklyn Borough President's Office for consideration.
- 2/25/08 New York City Department of City Planning will be holding a final public hearing regarding the Avenue H Bridge in Brooklyn on February 13, 2008
- 4/23/08 LIRR Engineering raised several technical questions and communicated them to NYC DOT. NYC DOT Engineering adequately addressed all LIRR Engineering questions regarding this transaction.



**Avenue H and Albany Avenue, Brooklyn (K. Olmsted)**

- 7/21/08 The City Planning Commission approved the ULURP Application (Map Change). The Department of City Planning (DCP) sent a memorandum to Borough President Office (BOP) Brooklyn for Alteration map. The map will be certified by the Secretary of City Planning Commission and DCP Technical Review Group will file the map to different agencies to finalize ULURP process.
- 10/27/08 Brooklyn Borough President's office needs to submit final alteration map to DCP for certification and filing. NYC DOT has requested the Department of Design and Construction to perform a Phase II Environmental Assessment of the site.
- 02/23/09 Department of City Planning indicated that the Avenue H Bridge ULURP process was certified and filed on December 5, 2008, and that they are working on procurement funds for Phase II Environmental Assessment Report.
- 06/22/09 On behalf of the NYC DOT, DDC performed site inspection of the property as part of the Phase II Environmental Assessment. The Phase II Environmental Report is being prepared. Upon completion of the report, an appraisal will be done for the subject property.
- 9/21/09 Department of City Planning approved the ULURP application filed by DOT for the acquisition. Currently DOT's Environmental Compliance Office is reviewing the Phase II environmental site investigation report submitted by DDC. After review is complete, we will get into acquisition process.
- 10/21/09 DOT's Environmental Compliance group has reviewed the Phase II environmental site investigation report. Now, DOT Legal Department will contact DCAS Real Estate Group to perform a property appraisal. Once the appraisal is completed, the acquisition of property can take place.



# Memorandum



## **Metropolitan Transportation Authority**

State of New York

**Date** December 9, 2009  
**To** Members of the Capital Construction, Planning and Real Estate Committee  
**From** Jeffrey B. Rosen, Director, Real Estate  
**Re** **GCT's Vanderbilt Hall Events Forecast**

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The following report will be presented to the Real Estate Committee by GCT Development on a monthly basis. The events forecast will show events planned for Vanderbilt Hall in the next three to four month period. This calendar will always be subject to last minute changes for technical or scheduling reasons.

## GCT'S VANDERBILT HALL EVENTS FORECAST NOVEMBER - DECEMBER 2009

| <u>Event</u>                     | <u>Date</u>                           | <u>Description</u>                                | <u>Space</u>                | <u>Use</u> |
|----------------------------------|---------------------------------------|---|-----------------------------|------------|
| Grand Central Holiday Fair       | November 23, 2009 – December 24, 2009 | Grand Central's annual seasonal shopping favorite | Vanderbilt Hall – Full room | Public     |
| Grand Central Holiday Light Show | November 30, 2009 – December 31, 2009 | Grand Central's annual holiday light show         | Main Concourse              | Public     |

**This calendar is subject to change, as some events are still in development.**



# Memorandum



## **Metropolitan Transportation Authority**

State of New York

**Date** December 9, 2009  
**To** Members of the Capital Construction, Planning and Real Estate Committee  
**From** Jeffrey B. Rosen, Director, Real Estate  
**Re** **GCT – Graybar Passage Retail Kiosks**

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The following report will be presented by GCT Development office of the Real Estate Department whenever a new retail Permit Agreement has been entered into under the Retail Kiosk program approved by the MTA Board in January 2006.



**GRAND CENTRAL TERMINAL  
GRAYBAR PASSAGE RETAIL KIOSK PROGRAM  
New Licensees – Month of December 2009**

| <b>Tenant</b>  | <b>License Dates</b>      | <b>Use</b>   | <b>Monthly Compensation</b> |
|--|---------------------------|--|-----------------------------|
| US Concepts, LLC<br>d/b/a Johnnie<br>Walker Blue Label | 12/1/2009 –<br>12/31/2009 | For the operation of a complimentary engraving service of<br>Johnnie Walker Blue Label bottles (see Staff Summary) | 12/2009: \$25,000           |



# Staff Summary

|   |
|---|
| Subject<br><b>AMENDMENT TO LEASE</b>            |
| Department<br><b>REAL ESTATE</b>                |
| Department Head Name<br><b>JEFFREY B. ROSEN</b> |
| Department Head Signature                       |
| Project Manager Name<br><b>NANCY MARSHALL</b>   |

|                                 |
|---------------------------------|
| Date<br><b>DECEMBER 9, 2009</b> |
| Vendor Name                     |
| Contract Number                 |
| Contract Manager Name           |
| Table of Contents Ref #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | CC/P/RE Committee | 12/09/09 |          | X    |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |                       |       |              |
|--------------------|-----------------------|-------|--------------|
| Order              | Approval              | Order | Approval     |
|                    | Executive Director    | 2     | Civil Rights |
| 4                  | Chief of Staff        | 1     | Legal        |
|                    | Director of B&FM      |       |              |
| 3                  | Dep Exec Dir of Admin |       |              |

## Narrative

AGENCY: MTA Metro-North Railroad ("Metro-North")

LESSEE: The Stearn Company d/b/a The Beverage Bar

LOCATION: Storage Space MC18-6, Grand Central Terminal, New York

ACTIVITY: For the storage of inventory for Lessee's business conducted in Lessee's Grand Central store

ACTION REQUESTED: None

TERM: Coterminous with Lease dated June 16, 2009

SPACE: Approximately 117 sq. ft.

COMPENSATION:

| PERIOD                                     | ANNUAL STORAGE SPACE FEE |
|--|--------------------------|
| Commencement Date through first Lease Year | \$13,650.00              |
| Lease Year 2                               | \$14,059.50              |
| Lease Year 3                               | \$14,481.29              |
| Lease Year 4                               | \$14,915.73              |
| Lease Year 5                               | \$15,363.20              |
| Lease Year 6                               | \$15,824.10              |
| Lease Year 7                               | \$16,298.82              |
| Lease Year 8                               | \$16,787.78              |
| Lease Year 9                               | \$17,291.41              |
| Lease Year 10                              | \$17,810.15              |

**CAPITAL CONSTRUCTION/PLANNING/REAL ESTATE COMMITTEE MEETING**  
**The Stearn Company d/b/a The Beverage Bar (Cont'd)****COMMENTS:**

On June 16, 2009, the MTA executed a lease agreement with Lessee for Space #MC-15 and Storage Space #LCS-5B. Lessee subsequently realized that it would need a storage space that could accommodate refrigeration equipment. Accordingly, MTA Real Estate has allowed Lessee to take possession of Storage Space #MC18-6, which is capable of accommodating such equipment as it has fire-rated walls (instead of wire fencing) as well as the required electrical and plumbing lines, and surrender Storage Space #LCS-5B. The annual storage space fee will remain the same. Because Storage Space #MC18-6 is a smaller space, the rent per square foot is \$116.00 versus \$75.00.



# Staff Summary

|   |
|---|
| Subject<br><b>STORAGE SPACE LICENSE</b>         |
| Department<br><b>REAL ESTATE</b>                |
| Department Head Name<br><b>JEFFREY B. ROSEN</b> |
| Department Head Signature                       |
| Project Manager Name<br><b>NANCY MARSHALL</b>   |

|                                 |
|---------------------------------|
| Date<br><b>DECEMBER 9, 2009</b> |
| Vendor Name                     |
| Contract Number                 |
| Contract Manager Name           |
| Table of Contents Ref #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | CC/P/RE Committee | 12/09/09 |          | X    |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |                       |       |              |
|--------------------|-----------------------|-------|--------------|
| Order              | Approval              | Order | Approval     |
|                    | Executive Director    | 2     | Civil Rights |
| 4                  | Chief of Staff        | 1     | Legal        |
|                    | Director of B&FM      |       |              |
| 3                  | Dep Exec Dir of Admin |       |              |

## Narrative

AGENCY: MTA Metro-North Railroad ("Metro-North")  
 LICENSEE: 7 Grand Central Corp. d/b/a Tea & Honey  
 LOCATION: Storage Space MCS-9, Grand Central Terminal, New York  
 ACTIVITY: For the storage of inventory for Licensee's business conducted in the Store Premises  
 ACTION REQUESTED: None  
 TERM: December 1, 2009 – December 31, 2009  
 SPACE: Approximately 96 sq. ft.  
 COMPENSATION: \$537.00

## COMMENTS:

On April 27, 2009, the MTA Board authorized MTA Real Estate to enter into a license agreement with Licensee for Space MC-67.

In accordance with the licensing policy approved by the MTA Board in April 2009, MTA Real Estate entered into this supplemental short-term license agreement to accommodate Licensee's need for extra storage space during the holiday season.



# Staff Summary

|   |
|---|
| Subject<br><b>STORAGE SPACE LICENSE</b>         |
| Department<br><b>REAL ESTATE</b>                |
| Department Head Name<br><b>JEFFREY B. ROSEN</b> |
| Department Head Signature                       |
| Project Manager Name<br><b>NANCY MARSHALL</b>   |

|                                 |
|---------------------------------|
| Date<br><b>DECEMBER 9, 2009</b> |
| Vendor Name                     |
| Contract Number                 |
| Contract Manager Name           |
| Table of Contents Ref #         |

| Board Action |                   |          |          |      |       |
|--------------|-------------------|----------|----------|------|-------|
| Order        | To                | Date     | Approval | Info | Other |
| 1            | CC/P/RE Committee | 12/09/09 |          | X    |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |
|              |                   |          |          |      |       |

| Internal Approvals |                       |       |              |
|--------------------|-----------------------|-------|--------------|
| Order              | Approval              | Order | Approval     |
|                    | Executive Director    | 2     | Civil Rights |
| 4                  | Chief of Staff        | 1     | Legal        |
|                    | Director of B&FM      |       |              |
| 3                  | Dep Exec Dir of Admin |       |              |

## Narrative

AGENCY: MTA Metro-North Railroad ("Metro-North")

LICENSEE: US Concepts LLC d/b/a Johnnie Walker Blue Label

LOCATION: Storage Space MC18:1-5, Grand Central Terminal, New York

ACTIVITY: For the storage of equipment for Licensee's Graybar Passage kiosk

ACTION REQUESTED: None

TERM: December 1, 2009 – December 31, 2009

SPACE: Approximately 612 sq. ft.

COMPENSATION: \$2,500.00

## COMMENTS:

Licensee will operate a Graybar Passage kiosk where it will provide a complimentary engraving service for Johnnie Walker Blue bottles during the month of December.

In accordance with the licensing policy approved by the MTA Board in April 2009, MTA Real Estate entered into this supplemental short-term license agreement to accommodate Licensee's need for extra storage space during the holiday season.



