



# MTA Real Estate

## NYC Disposition & Development Opportunities

Presentation to MTA Finance Committee  
September 26, 2011

# MTA Real Estate Presentations to Finance Committee

April 2011  
Office Properties

July 2011  
Grand Central

**September 2011  
Other NYC  
Properties**

4Q 2011  
Suburban  
Properties



Metropolitan Transportation Authority

# NYC Property Survey - Overview

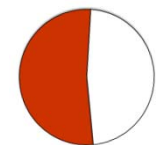
- Nearly all MTA-controlled properties are in active use for transportation-related functions and therefore not available for outright disposition
  - Overbuilds, though sometimes feasible, are complex and costly
- In cases where property may be deemed “surplus,” disposition generally requires joint governmental initiative
  - MTA, as successor to Penn Central, Triborough, and NYC Board of Transportation, holds only limited real estate interests
  - Few MTA properties are zoned to allow as-of-right private development to their full potential
- Nonetheless, MTA Real Estate has identified (in addition to 341-347 Madison) 15 properties for outright disposition and (in addition to West Side Yards and Atlantic Yards) 5 potentially feasible overbuild projects.

# NYC Property Survey – Ownership Considerations

## New York City Transit

- Most properties are owned by New York City and master leased to MTA for transit purposes. (Only exceptions: properties purchased or improved with MTA capital funds not provided by NYC)
  - MTA retains revenue from incidental commercial use of properties other than “City Account” properties. However, master leases provide for properties not needed for transit purposes to be surrendered to City without compensation.
- South Brooklyn Railroad properties are held in the name of SBRR, of which NYC owns all stock. NYCT has operating agreement only.

Entries in MTA’s  
NYC real estate  
database



## Long Island Rail Road

- Penn Station space leased from Amtrak
- Other properties generally owned, but often encumbered



## Metro-North Rail Road

- Harlem and Hudson lines owned by Midtown Trackage Ventures and leased to Metro-North, with GCT air rights reserved to fee owner
- No air rights associated with Park Ave. ROW



## Bridges and Tunnels

- All TBTA properties are subject to a statutory reverter to NYC



## MTA Direct Ownership

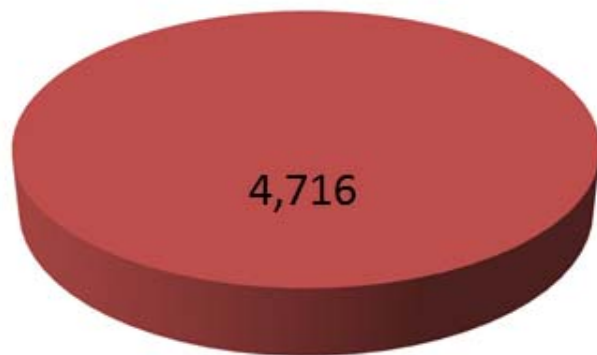


# NYC Property Survey – Review Process

The MTA's properties in NYC have now been systematically reviewed with NYC agencies to assess their potential for outright disposition or overbuilds



4,716 Database  
Entries

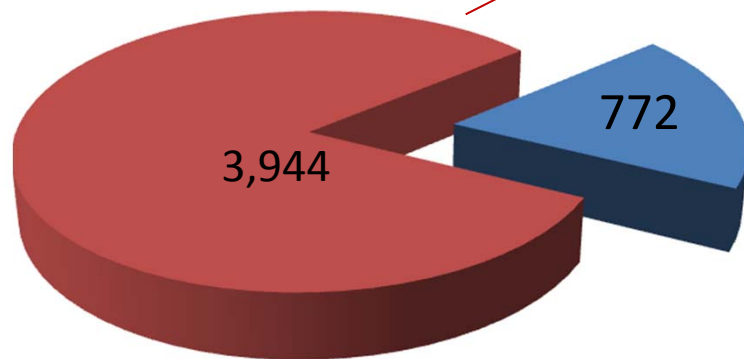


**Metropolitan Transportation Authority**

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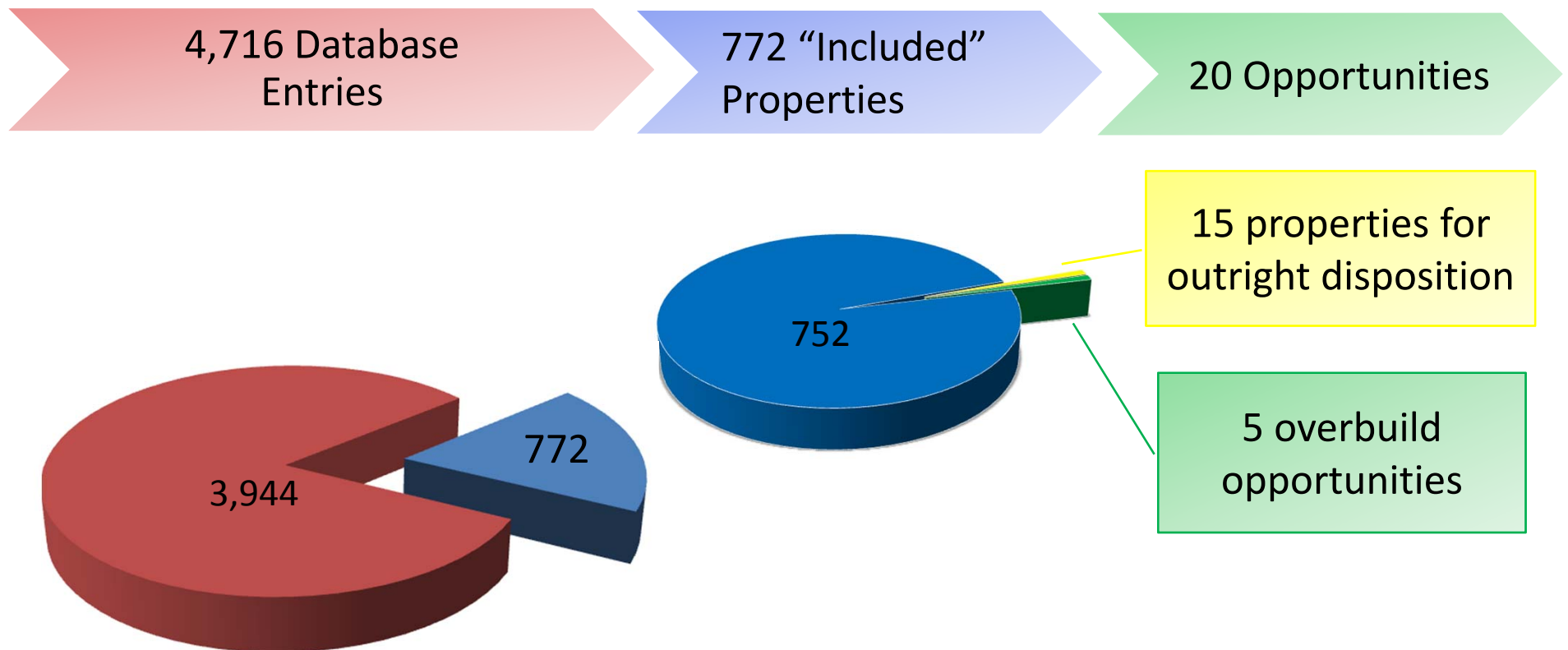


**Excluded Properties:** Access roads, billboards, bridges, bus turnarounds, ducts, elevators, footbridges, grade crossings, passageways, easements, pending acquisitions, stairways, stations, towers, tunnels & vents, most NYCT ROWs & NYCT sidetracks

**Included Properties:** Buildings, depots, fan plants, garages, land, offices, parking, shops, stations not in use, substations, warehouses, & yards, LIRR and MNR ROWs & sidetracks

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# Properties for Outright Disposition

1. 351 East 139<sup>th</sup> Street, Bronx (NYCT)
2. 707 East 211<sup>th</sup> Street, Bronx (NYCT)
3. Van Sinderen Avenue, Brooklyn (NYCT)
4. 851 Avenue I (Parkville Substation), Brooklyn (NYCT)
5. 19 East Houston Street, Manhattan (NYCT)
6. 103-54 99<sup>th</sup> Street, Queens (NYCT)
7. Varick Avenue & Johnson Avenue, Brooklyn (LIRR)
8. Gun Hill Road, Bronx (NYCT)
9. 370 Jay Street, Brooklyn (NYCT)
10. 606 Sheepshead Bay Road, Brooklyn (SBRR)
11. 36 Conway Street, Brooklyn (MTA)
12. Essex Street Trolley Terminal, Manhattan (NYCT)
13. Willets Point, Queens (LIRR)
14. Second Avenue properties (air rights) (MTA)
15. Fulton Street Transit Center air rights, Manhattan (MTA)

RFPs by  
Q4 2011

RFPs by  
Q1 2012





# Properties for Outright Disposition

## RFPs to be issued by Q4 2011



#1. 351 East 139<sup>th</sup> Street, Bronx



#2. 707 East 211<sup>th</sup> Street, Bronx



#3. Van Sinderen Avenue, Brooklyn



#4. 851 Avenue I (Parkville Substation), Brooklyn



# Properties for Outright Disposition

## RFPs to be issued by Q4 2011



#5. 19 East Houston Street, Manhattan



#6. 103-54 99<sup>th</sup> Street, Queens



#7. Varick Avenue & Johnson Avenue, Brooklyn

# Properties for Outright Disposition

## RFPs to be issued by Q1 2012



**#8 Gun Hill Road and I-95, Bronx.**

- NYC Master Lease property
- 640,200 SF
- Zoning: M1-1 (1 FAR)
- Well located for big box retail development
- Expansion of bus facility no longer contemplated
- Current use: Para-transit storage
- Requires special permit for big box retail



# Properties for Outright Disposition

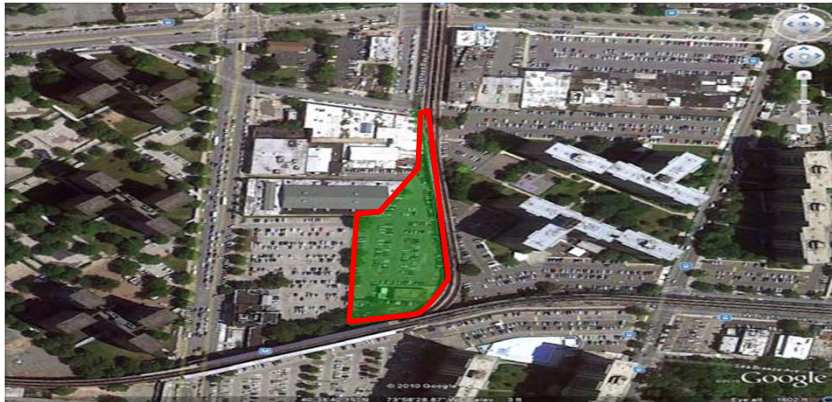
## RFPs to be issued by Q1 2012



**#9 370 Jay Street, Brooklyn**

- NYC Master Lease property
- 459,000 usable SF
- Zoned C5-4 (10 FAR, of which 100% is used by existing building)
- Disposition by City already approved pursuant to ULURP
- Undertaking review of feasibility and cost of required NYCT and NYPD telecom equipment relocations
- Planning for issuance of joint RFP by MTA and NYC
  - Option for possible MTA office use
  - Proceeds to be applied to relocating telecom equipment

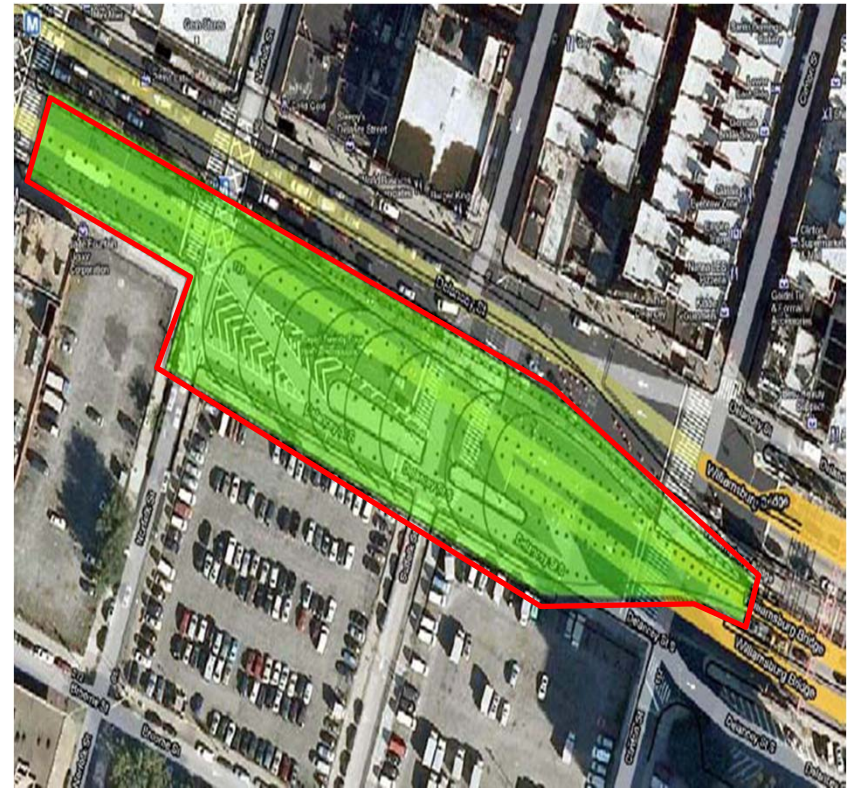
# Other Properties for Outright Disposition



#10 606 Sheepshead Bay Road, Brooklyn



#11 36 Conway Street, Brooklyn



#12 Essex Street Trolley Terminal,  
Manhattan. Below Delancey Street between  
Essex Street and Clinton Street



# Other Properties for Outright Disposition



**#13 Willets Point, Queens**

- Ownership: MTA
- Site Information: 12 acre site
- Zoning: M3-1 (2 FAR)
- Strategically situated adjacent to City's Willets Point redevelopment initiative
- Requires rezoning and soil remediation; poor soil conditions
- Tenants currently on site

# Other Properties for Outright Disposition

## #14 Second Ave Properties (air rights)

- MTA-owned, acquired through condemnation
- Physical overbuild not feasible, but development rights can be transferred to adjacent lots
- Disposition would require FTA approval



97<sup>th</sup> Street & 2<sup>nd</sup> Ave.  
30,640 ZSF of unused  
development rights



93<sup>rd</sup> Street & 2<sup>nd</sup> Ave.  
16,134 ZSF of unused  
development rights



83<sup>rd</sup> Street & 2<sup>nd</sup> Ave.  
16,225 ZSF of unused  
development rights



# Properties for Outright Disposition



**#15 Fulton Street Transit Center air rights**

- MTA-owned, acquired through condemnation
- 34,556 SF lot zoned C5-5 (15 FAR, of which 121,257 ZSF will be used by completed buildings; 397,083 ZSF of unused development rights)
- Physical overbuild not feasible, but development rights can be transferred to adjacent lots
- Disposition would require FTA approval
- City landmark designation would be required to transfer development rights across street

# Overbuild Considerations – Physical Challenges

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2. Decking requires ventilation, lighting, utility relocations





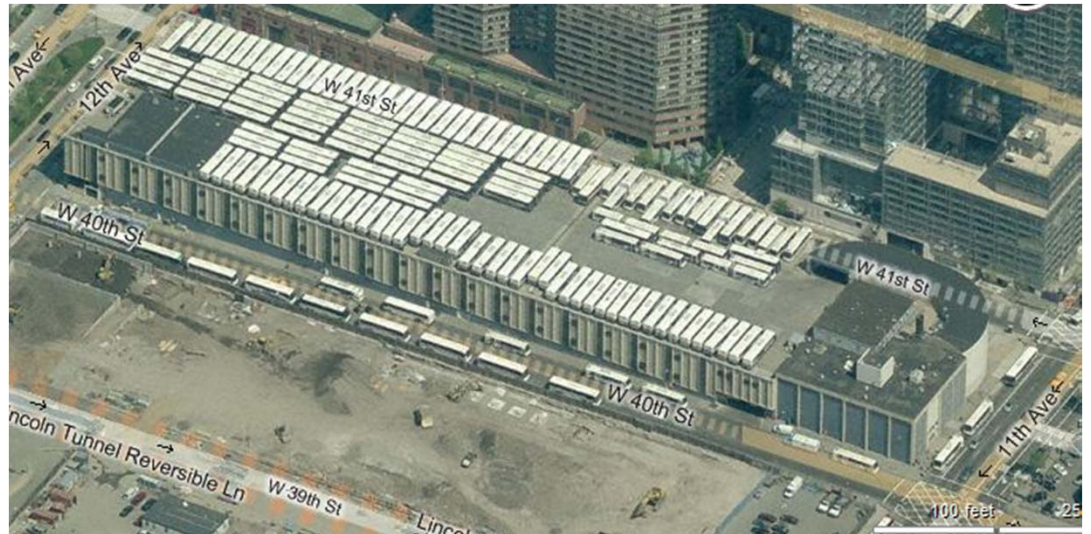
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4. Overbuilds on existing buildings (like Quill Bus Depot) must also address structural and access issues



Michael J. Quill Bus Depot

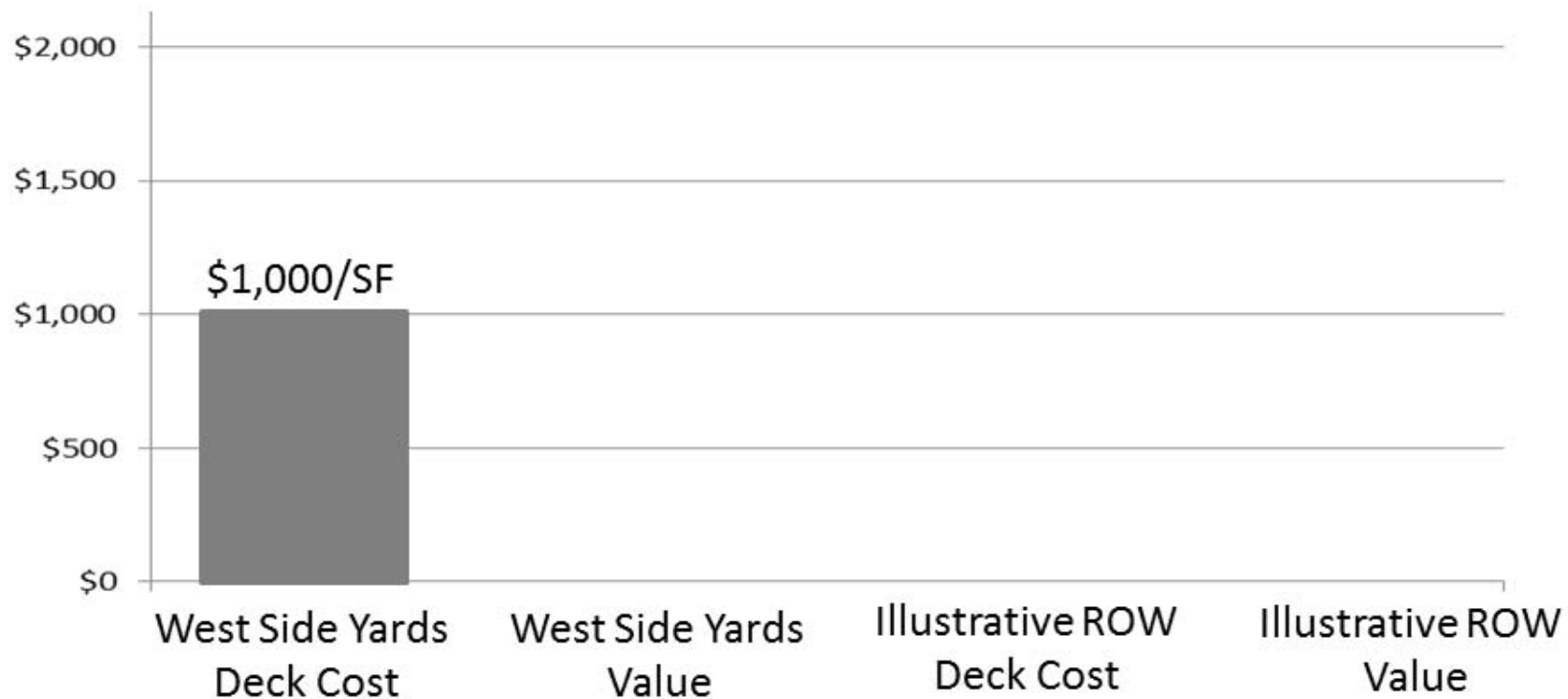
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4. Overbuilds on existing buildings (like Quill Bus Depot) must also address structural and access issues
5. Need to accommodate operations during construction results in restricted work hours



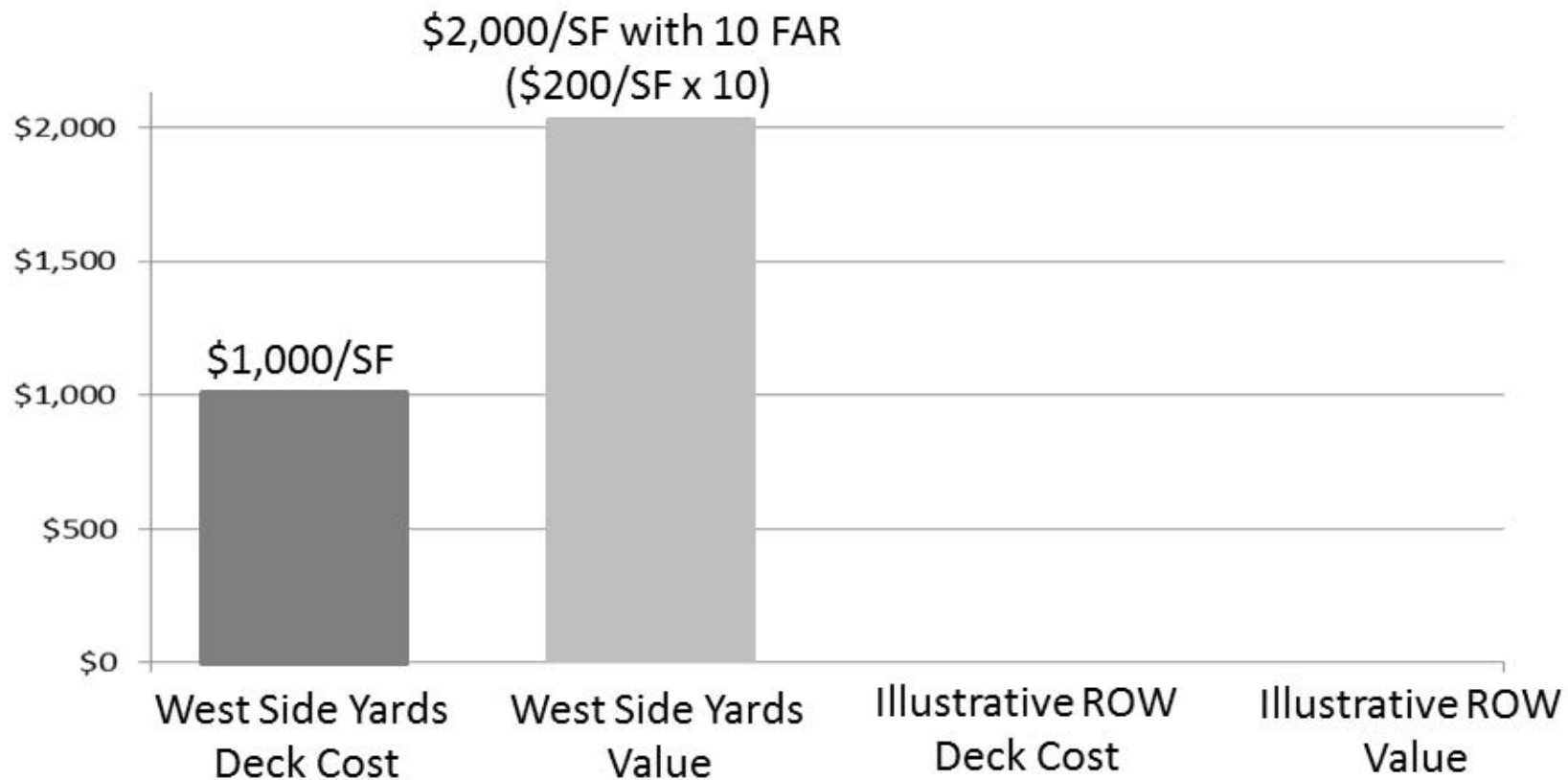


# Overbuild Considerations – Financial Feasibility

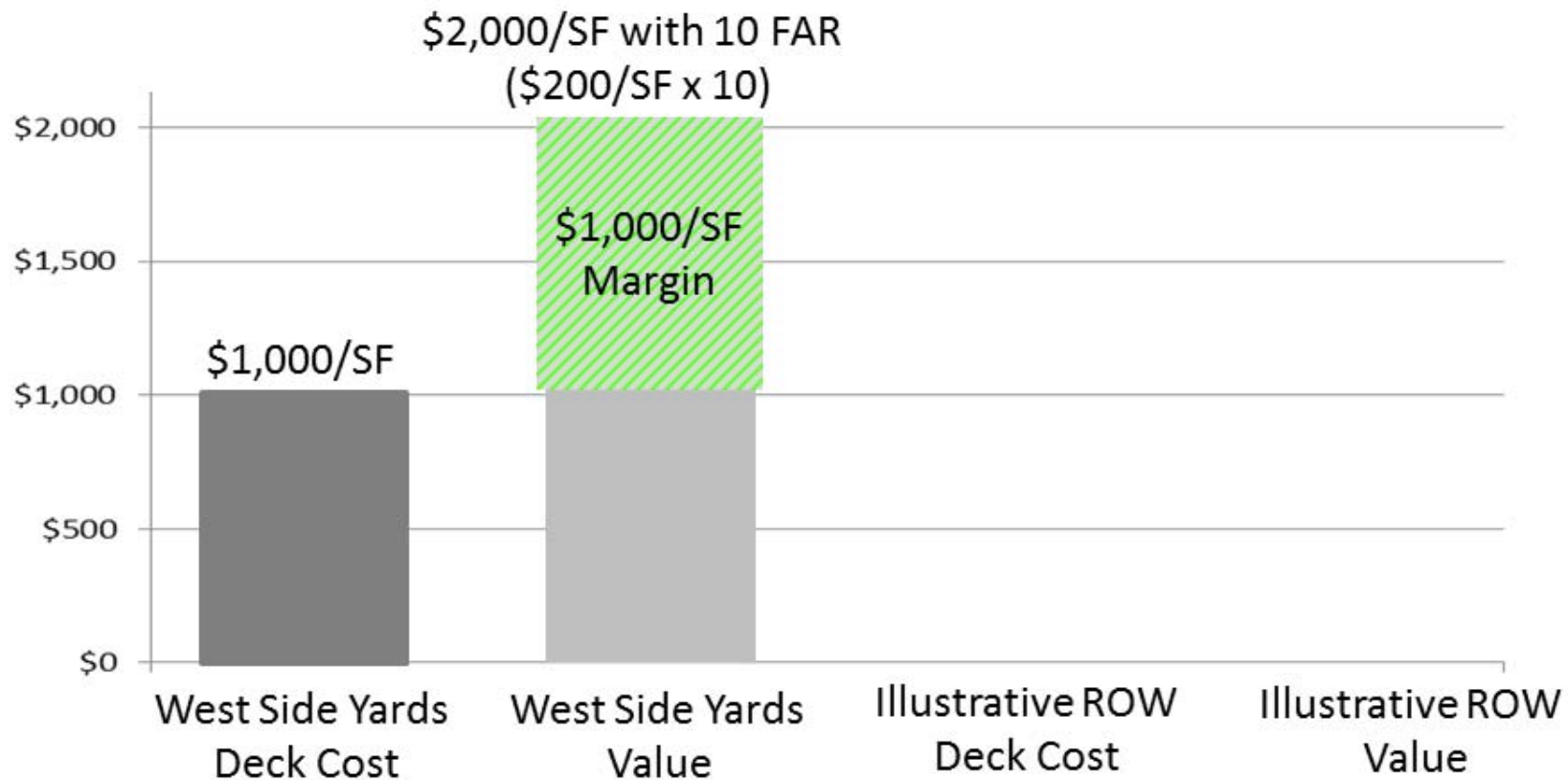




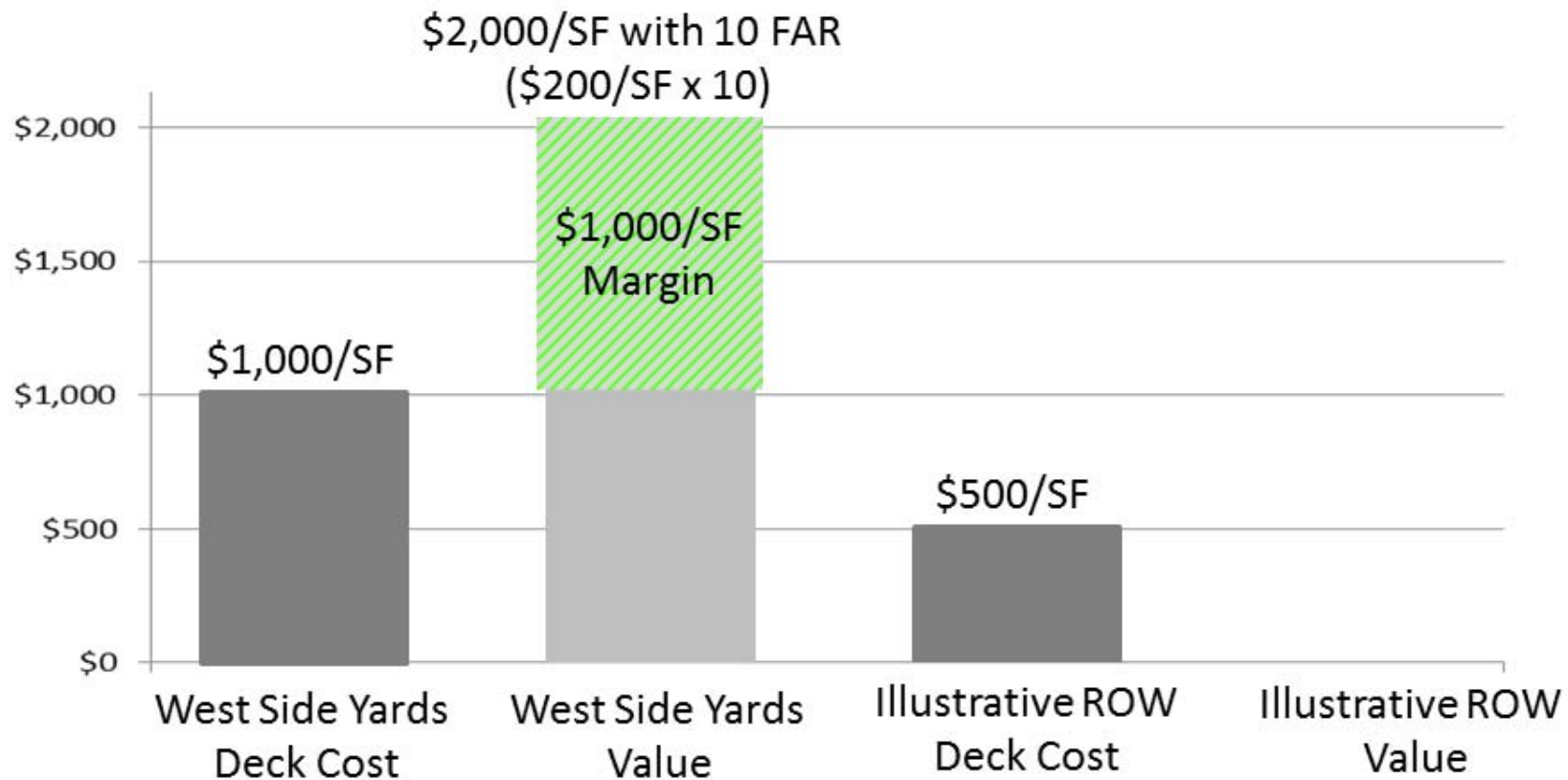
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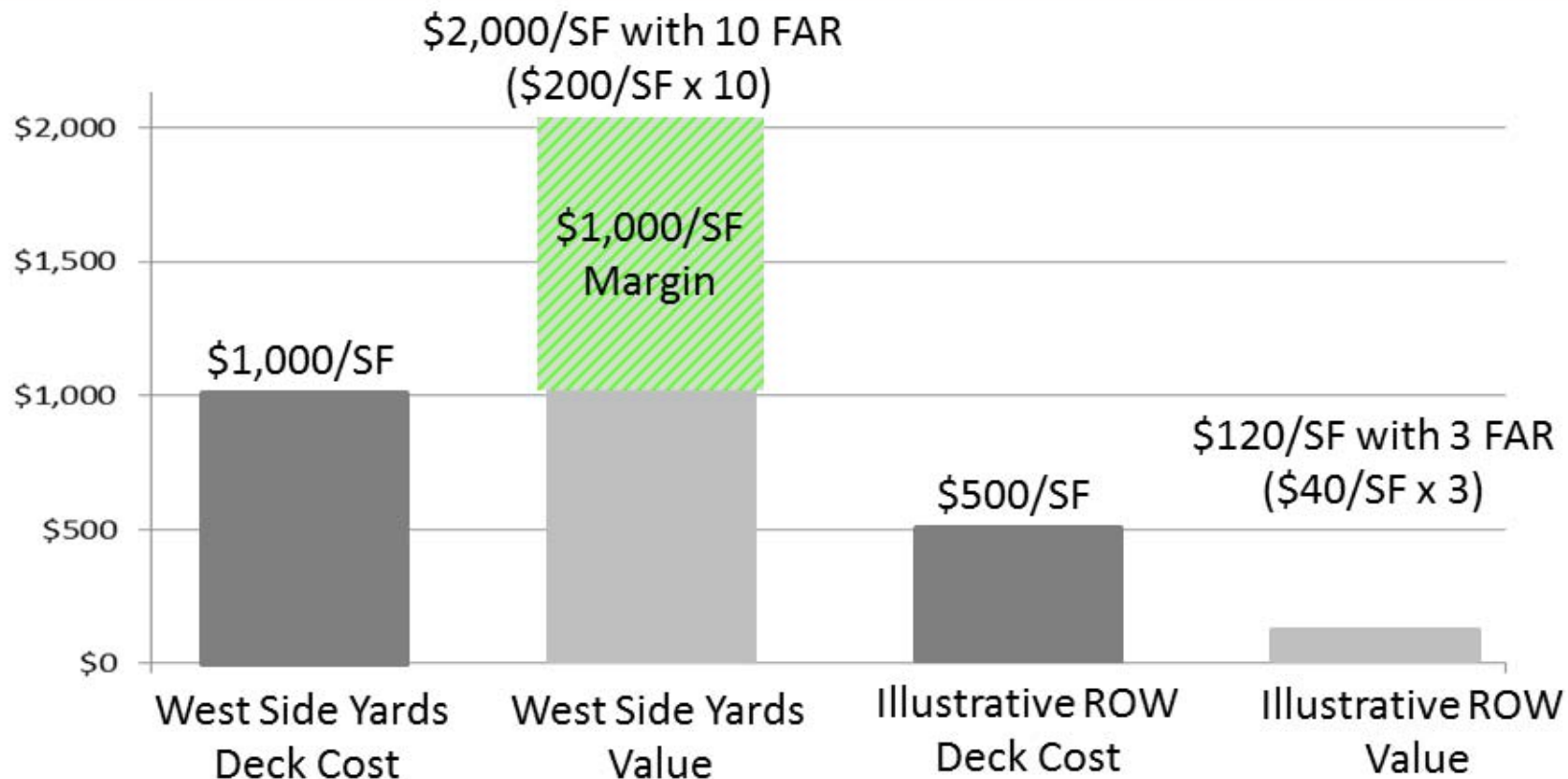
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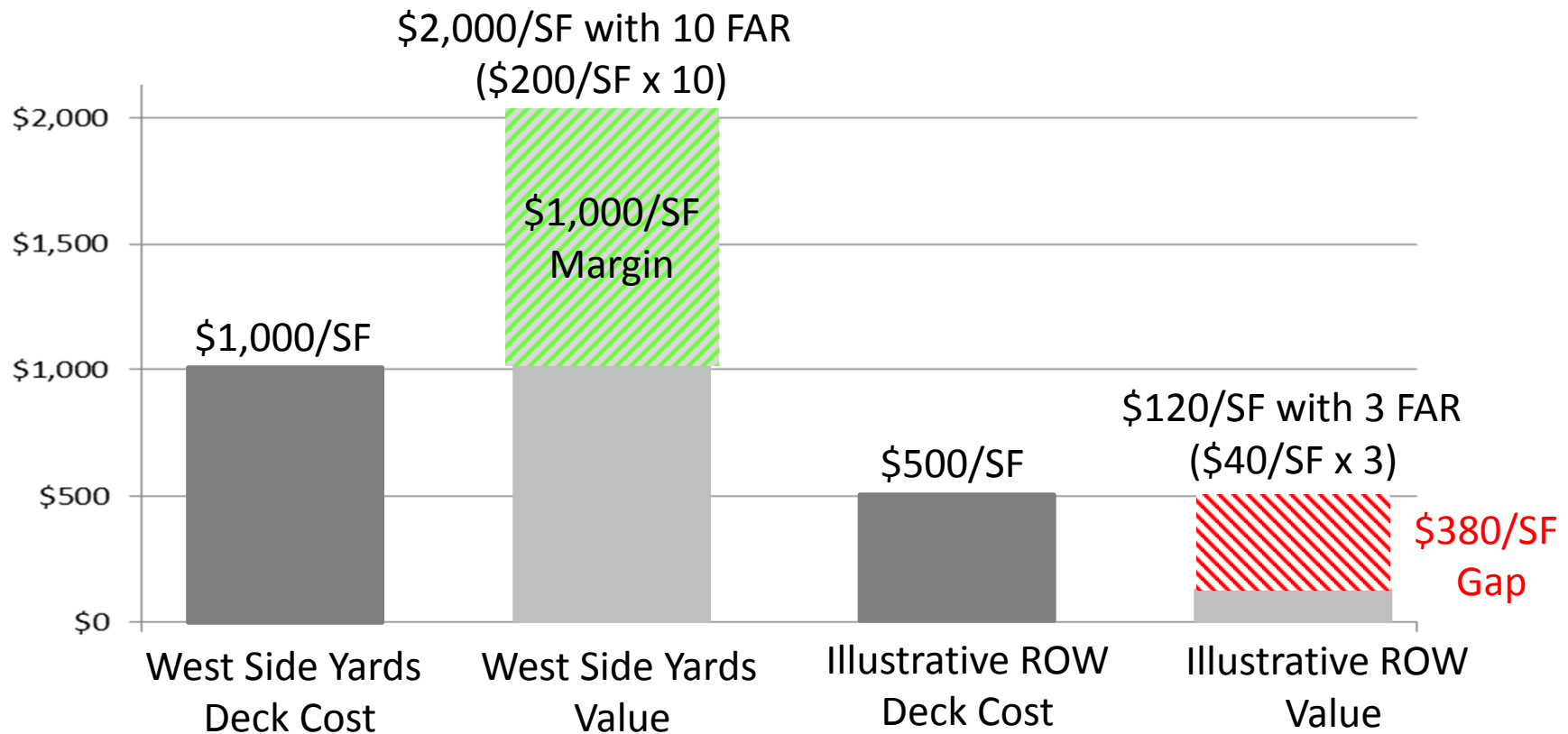
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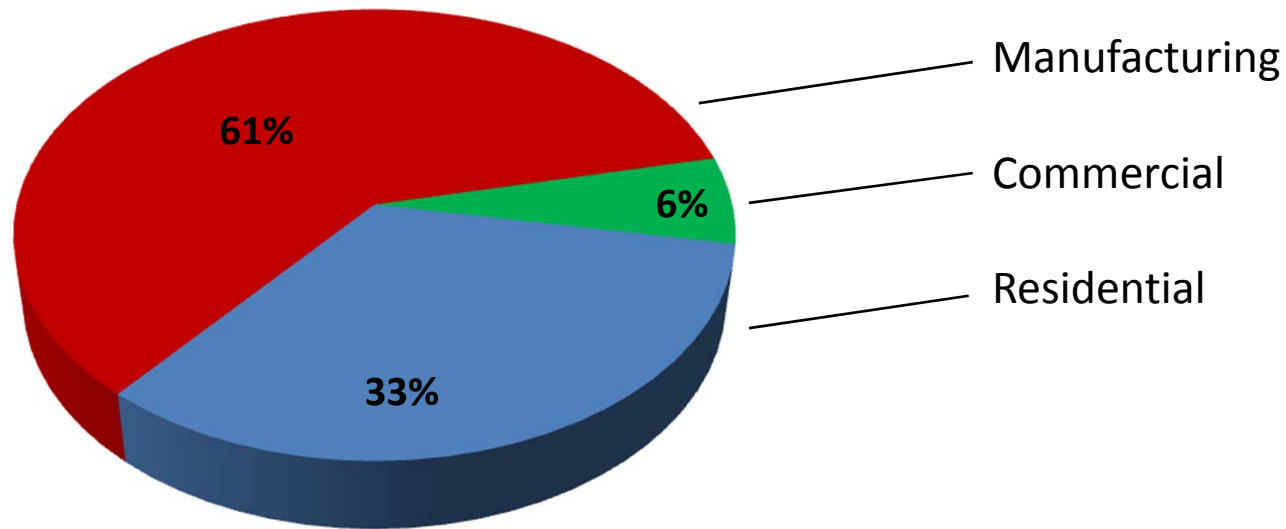
# Overbuild Considerations – Financial Feasibility



**NYCT overbuild example requires 13 FAR to break-even**

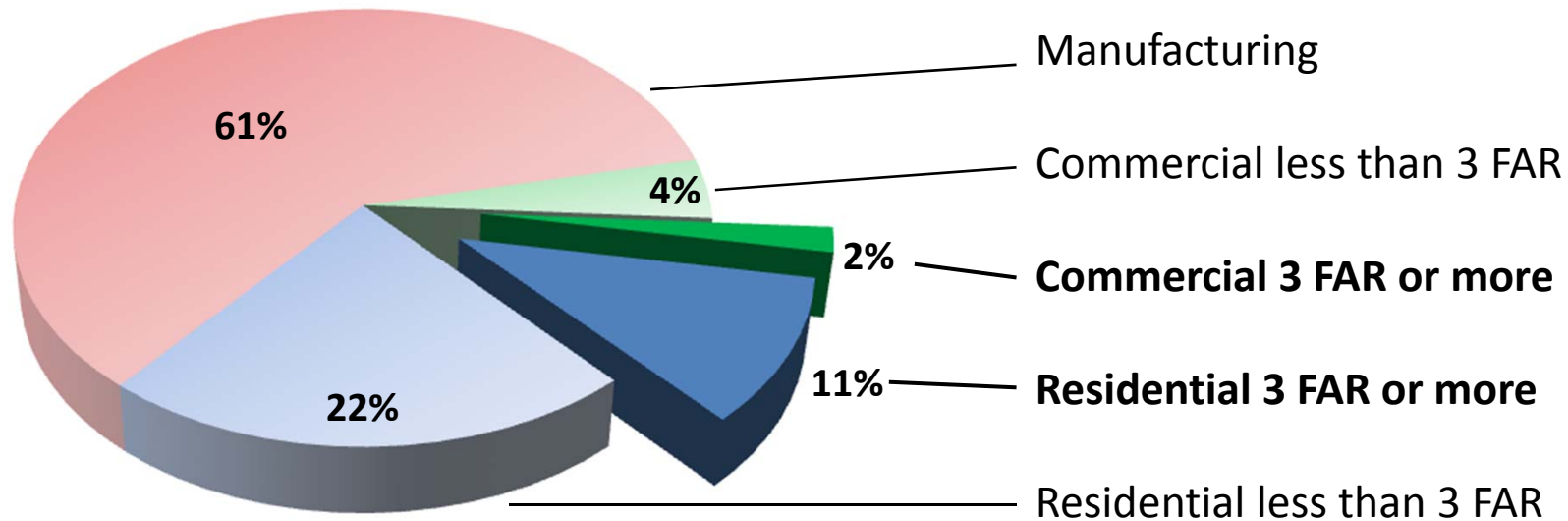
# Overbuild Considerations – Zoning Issues

**Current NYC zoning limits the potential of MTA properties for as-of-right development.**



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Current NYC zoning limits the potential of MTA properties for as-of-right development.





# Recent / Pending Overbuilds

Site characteristics:

- Direct MTA ownership
- Appropriate locations for high density development
- Tracks are below grade and spaced to allow column placements

**Under Contract 2010: West Side Yards**



**Under Construction 2010: Atlantic Yards**



**Completed 2010: Atlantic Terminal**



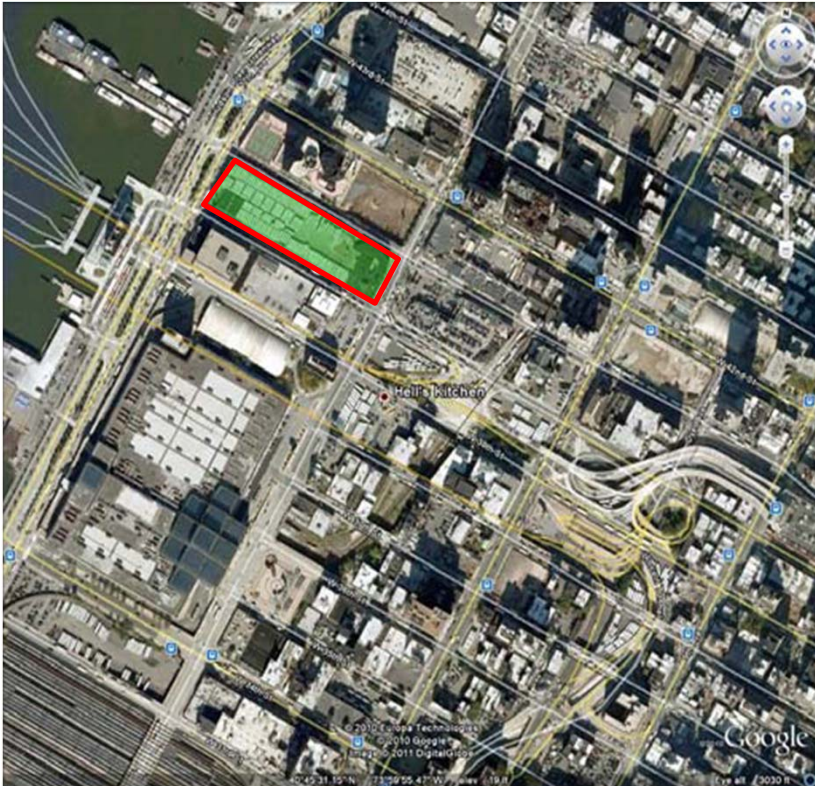
# Other Overbuild Opportunities

1. Michael J. Quill Bus Depot (NYCT)
2. Brooklyn Battery Tunnel Garage (NYCT)
3. Bay Ridge Right of Way (LIRR/NYTC)
4. LIRR Main Line air rights (LIRR)
5. LIRR Yards in Long Island City (LIRR)





# Other Overbuild Opportunities

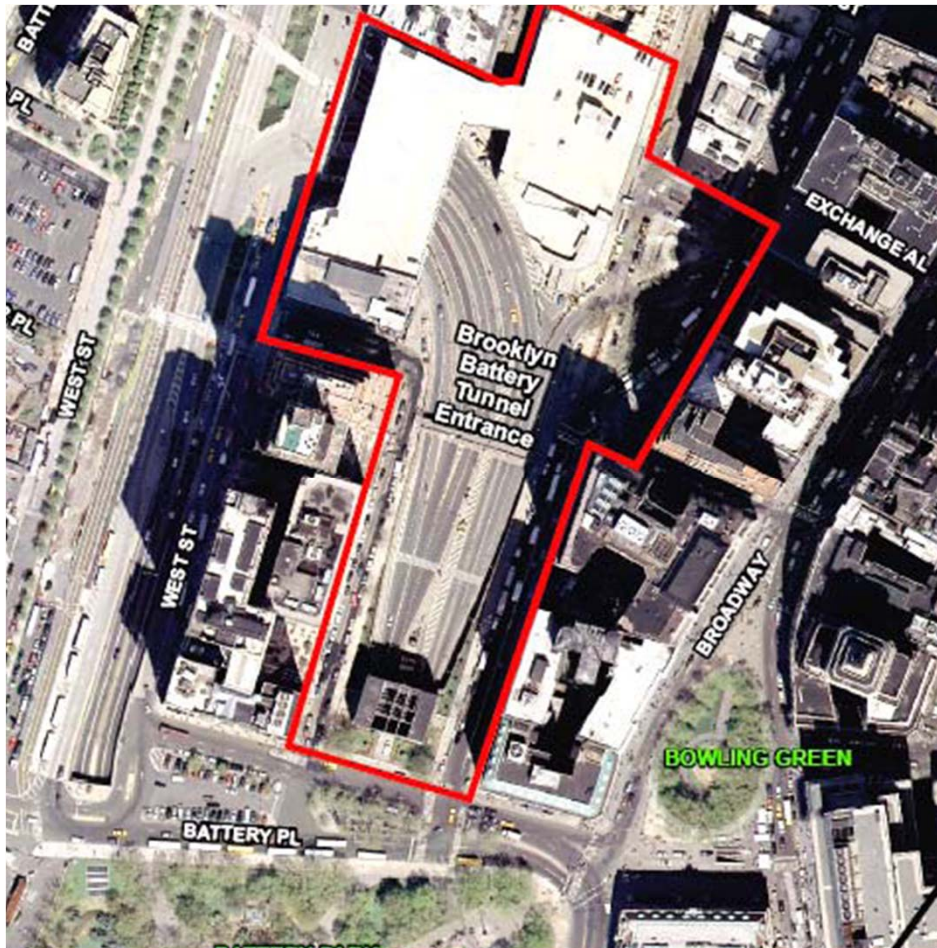


- Ownership: MTA
- Currently zoned M1-5 (5 FAR), almost all used by existing bus depot.
- Building conforming with adjoining zoning districts could contain an additional 5-10 residential FAR
- Redevelopment would need to accommodate ongoing bus operations
- Engineering feasibility analyses will be undertaken shortly

## #1 Michael J. Quill Bus Depot

11<sup>th</sup> Avenue between 40<sup>th</sup> and 41<sup>st</sup> Streets,  
Manhattan

# Other Overbuild Opportunities



#2 Brooklyn Battery Tunnel Garage, Brooklyn

- Ownership: NYC, subject to TBTA use and occupancy
- 106,500 SF lot
- Zoning: C6-9 (15 FAR)
- Several options for location of new development will need to be studied
- Current MTA parking revenue provides floor for revenue expectations:
  - 2010 net revenue: \$7.5 million
  - Projected net annual revenue after WTC redevelopment: \$14.75 million



# Other Overbuild Opportunities



## #3 Bay Ridge ROW

East of 4<sup>th</sup> Avenue, Brooklyn. Particular focus on 8<sup>th</sup> Avenue, Fort Hamilton Parkway and New Utrecht Avenue stations of N subway line.

- Ownership:
  - Part LIRR, subject to freight operating concession agreement with New York & Atlantic
  - Part NYC Master Lease
- Approximately 21 acres of ROW airspace
- Zoning: R4, R5 and M1-1 (0.75 FAR to 1.25 FAR)
- Would require higher densities for economically feasible as-of-right development
- Development opportunity:  
Residential overbuilds could help link neighborhoods on alternate sides of the ROW.

# Other Overbuild Opportunities



- Ownership: LIRR
- Development opportunity: residential development above right-of-way
- Zoning: Recently downzoned to R4-1 (0.75 FAR)
  - Requires higher density than currently as-of-right to be economically viable

## #4 LIRR Main Line Air Rights

Queens LIRR Station and Right-of-Way locations: Woodside, Forest Hills and Kew Gardens (shown)



# Other Overbuild Opportunities



## #5 LIRR Yards

Long Island City, Queens. Various locations in the vicinity of Jackson Avenue

- Ownership: LIRR, subject to NYC ownership of air rights above operating envelope at Arch Street Yard
- Development opportunity: Large scale residential development consistent with existing Long Island City Special Zoning District.