

**APRIL 2025**  
**MTA REAL ESTATE**  
**MTA C&D TRANSIT ORIENTED DEVELOPMENT**  
**FINANCE COMMITTEE AGENDA ITEMS**

**1. ADMINISTRATIVE ACTION ITEMS**

Metropolitan Transportation Authority

- a. Authorization to acquire property by negotiated agreement or eminent domain for Phase 2 of the Second Avenue Subway

MTA New York City Transit

- b. Authorization to acquire property interests by negotiated agreement or eminent domain for the NYCT Marble Hill Substation Project in Bronx, NY

**2. TRANSACTIONAL ACTION ITEMS**

MTA Long Island Rail Road

- c. Conditional Designation of Gotham Organization to construct and operate a Transit Oriented Development on the former commuter parking lot at the Westbury Station, Westbury, NY

MTA Metro-North Railroad

- d. License extension with LAZ Parking NY/ NJ, LLC for the operation of commuter parking facilities at various Metro-North stations

**3. INFORMATION ITEMS**

- a. Report on agreements entered into directly by the Real Estate Department pursuant to board policy
- b. Annual Review: 2024 Grand Central Terminal Events

<b><u>Legal Name</u></b>	<b><u>Popular Name</u></b>	<b><u>Abbreviation</u></b>
<u>New York City Transit Authority</u>	<u>MTA New York City Transit</u>	<u>NYC Transit</u>
<u>The Long Island Rail Road Company</u>	<u>MTA Long Island Rail Road</u>	<u>LIRR</u>
<u>Metro-North Commuter Railroad Company</u>	<u>MTA Metro-North Railroad</u>	<u>MNR</u>
<u>Triborough Bridge and Tunnel Authority</u>	<u>MTA Bridges and Tunnels</u>	<u>MTA B&amp;T</u>
<u>MTA Construction and Development Company</u>	<u>MTA Construction and Development</u>	<u>MTA C&amp;D</u>
<u>MTA Bus Company</u>	<u>MTA Bus Company</u>	<u>MTA Bus</u>
<u>MTA Grand Central Madison Operating Company</u>	<u>Grand Central Madison</u>	<u>GCMC</u>

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

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

**METROPOLITAN  
TRANSPORTATION  
AUTHORITY**

# Staff Summary

<b>Subject</b> <b>ACQUISITION OF PROPERTY FOR PHASE 2 OF THE SECOND AVENUE SUBWAY PROJECT</b>
<b>Department</b> <b>TRANSIT-ORIENTED DEVELOPMENT</b>
<b>Department Head Name</b> <b>MIRIAM HARRIS</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>ROBAIR REICHENSTEIN</b>

<b>Date</b> <b>APRIL 30, 2025</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	04/28/25	X		
2	Board	04/30/25	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA") and MTA New York City Transit ("NYCT")

SELLER: CMF Cohen Realty Corp.

LOCATION: 124-130 W 125th St., New York, NY 10027 (the Property")

ACTIVITY: Fee acquisition of property interest to support the construction of Phase 2 of the Second Avenue Subway

ACTION REQUESTED: Authorization to acquire property through negotiated agreement or eminent domain

COMPENSATION: To be determined via negotiation or condemnation

COMMENTS:

In connection with the construction of Phase 2 of the Second Avenue Subway ("SAS2"), MTA Transit-Oriented Development is seeking authorization to acquire property located at 124 West 125th Street (Block 1909, Lot 46), New York, NY. The 20,183 square foot lot is improved with a one-story commercial building, subdivided into four retail spaces.

In 2022, MTA acquired adjacent Block 1909 Lot 44, for the construction of SAS2's Ancillary A ("Ancillary A"). Ancillary A will deliver a vertical shaft containing equipment to serve the ancillary building, including a tunnel ventilation duct, riser spaces for ducts and pipes, and an emergency stair.

As the design process progressed, the SAS2 design team determined that construction on the adjacent Block 1909 Lot 46 is necessary. Ancillary A, the vertical shaft, and related infrastructure would thus be constructed on a combination of both lots.

MTA will endeavor to acquire the Property through negotiated agreements but may not be able to reach agreement with the property owner and may be compelled to acquire the property interests by eminent domain. Thus, MTA Board approval is being sought for MTA to begin taking steps to satisfy the requirements of Eminent Domain Procedure Law in order to preserve MTA's rights and lessen the potential for future delays to SAS2 and ensure the timely acquisition of the necessary property. If a negotiated agreement to acquire any of the property interests is reached prior to the filing of

## FINANCE COMMITTEE MEETING

### ACQUISITION OF PROPERTY FOR PHASE 2 OF THE SECOND AVENUE SUBWAY PROJECT (Cont'd.)

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condemnation papers with the court, the terms of any such agreement will be presented to the Finance Committee and MTA Board for further approval.

Based on the foregoing, MTA Real Estate requests authorization to proceed with the acquisition, by negotiated agreement or condemnation of the noted Property, on the above-described terms and conditions.

# **MTA NEW YORK CITY TRANSIT**

# Staff Summary

Subject <b>ACQUISITION OF PROPERTY FOR THE NYCT MARBLE HILL SUBSTATION PROJECT IN THE BRONX, NY</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>DAVID FLORIO</b>
Department Head Signature
Project Manager Name <b>RAYMOND SMYTH</b>

Date <b>APRIL 30, 2025</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	04/28/25	X		
2	Board	04/30/25	X		

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

AGENCY: MTA New York City Transit ("NYCT")

SELLER: AGR Management Group, LLC

LOCATION: 5229 Broadway, Bronx, NY (the "Property")

ACTIVITY: Fee acquisition of property for new electrical substation in support of subway operations (the "Project")

ACTION REQUESTED: Authorization to acquire property through negotiated agreement or eminent domain

COMPENSATION: To be determined via negotiation or condemnation

## COMMENTS:

In connection with the 225<sup>th</sup> Street / Marble Hill Substation project, MTA Real Estate is seeking to acquire a property located at 5229 Broadway, Bronx NY. The Property contains approximately 5,000 square feet and is currently used as a commercial parking lot. Once acquired, MTA Construction and Development will utilize the Property to construct a new electrical substation in support of NYCT subway operations along the Broadway-Seventh Avenue Line. The Property satisfies the location and size requirements for construction of a substation is currently free of any major structures that would need to be demolished.

The MTA will endeavor to acquire the Property through a negotiated agreement. However, MTA Real Estate may not be able to reach agreement with the Seller and may be compelled to acquire the Property by eminent domain as no viable alternative sites have been identified. Thus, MTA Board approval is being sought for MTA Real Estate to begin taking steps to satisfy the requirements of Eminent Domain Procedure Law in order to preserve the MTA's rights and lessen the potential for future delays to the Project and ensure the timely acquisition of the Property. If a negotiated agreement to acquire the Property is reached prior to the filing of condemnation papers with the court, the terms of any such agreement will be presented to the Finance Committee and MTA Board for further approval.

Based on the foregoing, MTA Real Estate requests authorization to proceed with the acquisition, by negotiated agreement or condemnation on the above-described terms and conditions.

# **MTA LONG ISLAND RAIL ROAD**



# Staff Summary

Subject <b>GROUND LEASE AND DEVELOPMENT OF WESTBURY COMMUTER LOT</b>
Department <b>TRANSIT ORIENTED DEVELOPMENT</b>
Department Head Name <b>MIRIAM HARRIS</b>
Department Head Signature
Project Manager Name <b>JOHN COYNE</b>

Date <b>APRIL 30, 2025</b>
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	LIRR	04/28/25		X	
2	Finance Committee	04/28/25	X		
3.	Board	04/30/25	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA") and MTA Long Island Rail Road ("LIRR")

COUNTERPARTY/  
GROUND LESSEE: Gotham Property Acquisition LLC, a Delaware limited liability company, or another to be formed affiliate of Gotham Organization, Inc. ("Gotham"), a New York corporation, controlled directly or indirectly by David Pickett and in which he and members of his immediate family or trusts for their benefit own at least 7.5% of the beneficial and voting interests ("Ground Lessee")

LOCATION: Former commuter surface parking lot (the "Property") located at the LIRR's Westbury Station (the "Station")

ACTIVITY: (a) Conditional designation of Gotham to develop the Property into a mixed-use residential and retail transit-oriented development pursuant to a triple net lease (the "Lease") commencing on the possession date and ending 99 years from the rent commencement date (the "Transaction").  
  
(b) Negotiation and execution of a pre-lease and development agreement (the "Pre-Lease and Development Agreement"), which will include as exhibits the forms of the Lease and other material Transaction documents.

ACTION REQUESTED: Authorization to conditionally designate Gotham as the successful proposer to the RFP and to negotiate and enter into a Pre-Lease and Development Agreement, as well as to negotiate the terms and forms of the Lease and the other material agreements related to the Transaction (all as described below).

COMPENSATION: 

1. Construction period rent: \$2,250,000, paid in three annual installments of \$750,000 beginning on Lease execution
2. One-time capital transaction payment: \$500,000 paid upon conversion of construction loan to permanent financing or, if earlier, the 3<sup>rd</sup> anniversary of Lease execution

## FINANCE COMMITTEE MEETING

### GROUND LEASE AND DEVELOPMENT OF WESTBURY COMMUTER LOT (Cont'd.)

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3. Base Rent: \$500,000 per year, escalating 12.5% every five years, and reset to fair market value every 25 years, with a floor of 112.5% and a cap of 125% of the preceding year's base rent.
4. Supplemental Rent: Ground Lessee will pay Supplemental Rent equal to the real property taxes that would be owed on the land and the new improvements if the Property were not tax-exempt, but as though it were benefitted by a 20-year abatement during which Supplemental Rent will be paid according to a fixed schedule that escalates by 2% annually similar to what the Nassau County IDA offers for comparable developments. Ground Lessee may offset Supplemental Rent by the amount of impact fees paid to local jurisdictions, with the terms to be negotiated and documented with the Village and other taxing authorities. After an initial period of approximately 8 years, this offset will be capped at 50% of the portion of Supplemental Rent based on the assessed value of the new improvements.
5. Construction and perpetual maintenance at Gotham's expense of certain public realm improvements.

#### COMMENTS:

#### BACKGROUND

The Property is a 1.92-acre parcel located on the south side of the Station in downtown Westbury. Historically used as a commuter surface parking lot, the Property is no longer needed for commuter parking following construction of a new structured parking facility on the north side of the Station right of way as part of the Main Line Expansion project. A previous conditional designation approved by the Board pursuant to an RFP issued by MTA's Transit Oriented Development group ("TOD") in 2020 did not result in a transaction due to changing market conditions and was withdrawn by TOD. TOD issued a new request for proposals ("RFP") in 2024 for which this Board action is being sought.

#### RFP PROCESS

On May 20, 2024, TOD issued an RFP seeking qualified developers to enter into a ground lease having a term of 99-years plus an initial period of not more than 3 years for the construction of a mixed-use, transit-oriented development at the Property (the "Project"), as part of the LIRR's effort to improve ridership and the commuter experience at the Station and to monetize MTA's real estate at the Station. Four developers submitted proposals, each featuring multifamily rental housing and varying approaches to retail or public open space with at least 10% of units as income-restricted housing.

The four proposers for the Project were Gotham, LMXD, Terwilliger-Bartone and TRITEC (collectively, the "Proposers"). All four Proposers made presentations of their development plans to MTA's selection committee for the RFP (the "Selection Committee") and were given the opportunity to respond to questions and issues. The final proposals received from all four Proposers will be publicly disclosed in the agenda for the meeting of the Finance Committee of the MTA and LIRR Boards at which the Transaction will be considered for approval, or will be disclosed to the members of the Finance Committee of the MTA and LIRR Boards and to members of the MTA and LIRR Boards in executive session, and thereafter publicly disclosed prior to Lease execution.

The key evaluation criteria were:

- Appropriateness and Feasibility of the Project
- Relevant Experience of the Proposers
- Financial Resources Sufficient to construct, operate and guarantee obligations
- Agreement on Basic Transaction Terms

## FINANCE COMMITTEE MEETING

### GROUND LEASE AND DEVELOPMENT OF WESTBURY COMMUTER LOT (Cont'd.)

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Based on the Proposers' best and final offers, Gotham and Terwilliger-Bartone, who both possessed the requisite experience and financial resources, were given an additional opportunity to improve their proposals. Although the ground rent proposed by Gotham was 8% less than the ground rent proposed by Terwilliger-Bartone, Gotham's proposal set forth below offered a public realm design and retail plan with significantly superior connectivity and amenities for LIRR customers and the public and agreement on the basic transaction terms, was deemed by the Selection Committee to be the most advantageous to the MTA because it achieved the best balance of economic return, public realm enhancements, and reduced transaction risk.

Proposer	Housing Units	Public Realm Improvements	Retail Space	Parking Spaces	Compensation (PV @6%)
Gotham	157	Large public plaza and retail space on western side of the Property	15,000 sf	276	\$15 million

Gotham's proposed present-value compensation of \$15 million is consistent with an independent fair market rental appraisal commissioned by TOD.

The sequence of the proposed Transaction is as follows:

- Gotham and LIRR will negotiate and enter into a Pre-Lease and Development Agreement, whereby Gotham will fund a good faith deposit of \$100,000 and pursue good faith efforts to (x) obtain all necessary local approvals for the Project, including the requisite Village zoning and site plan approvals, (y) negotiate acceptable forms of impact agreements with the Village and other taxing jurisdictions, and (z) in coordination with TOD and LIRR staff, will undertake the environmental review required pursuant to the New York State Environmental Quality Review Act ("SEQRA"); and
- Upon completion of the SEQRA process, including adoption of the SEQRA findings by the MTA and LIRR Boards, and subject to approval of the Transaction and the Lease by the MTA and LIRR Boards, the MTA and/or LIRR and Ground Lessee will execute the Lease, Gotham will execute and deliver the required rent and completion guaranties, and the parties will execute and deliver the other related Transaction documents substantially in the forms attached to the Pre-Lease and Development Agreement, including the municipal impact agreements, following which Gotham will complete the design of the Project, construct the Project Improvements, and operate and maintain the same for the term of the Lease.

## RECOMMENDATION

Based on the foregoing, TOD requests authorization for the MTA for itself and on behalf of LIRR to undertake the following actions:

1. Conditionally Designate Gotham as the selected proposer under the RFP pursuant to a Conditional Designation Letter Agreement ("CDL") that will have attached to it the Basic Terms of the Transaction from the RFP as further developed to incorporate the final Gotham proposal. The CDL will be conditioned upon Gotham and the MTA entering into an expense reimbursement agreement whereby Gotham will pay for all of the MTA and LIRR's third party expenses following its conditional designation and during the pre-lease period and funding a \$100,000 good-faith deposit.
2. Negotiate with Gotham (a) a Pre-Lease and Development Agreement governing the actions to be taken by Gotham in coordination with TOD and LIRR staff, as pre-conditions to the Transaction during the period following the CDL and before execution of the Lease, including (i) obtaining necessary local approvals for the Project, (ii) negotiating acceptable forms of impact agreements with the Village and other taxing jurisdictions, and (iii) in coordination with TOD and LIRR staff, undertaking the environmental review required pursuant to the New York State Environmental Quality Review Act ("SEQRA"), and (b) the forms of the Lease and other material Transaction documents to be attached to the Pre-Lease and Development Agreement.

## FINANCE COMMITTEE MEETING

### GROUND LEASE AND DEVELOPMENT OF WESTBURY COMMUTER LOT (Cont'd.)

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3. Execute and deliver the Pre-Lease Agreement and any and all other necessary or appropriate agreements, documents, and instruments, and take all actions as shall be necessary or desirable in order to pursue satisfaction of the above-referenced pre-conditions to MTA and LIRR Boards final approval of the proposed Transaction, **provided that the Lease and any other Transaction documents, will be conditioned upon further MTA Board and LIRR Board approval following completion of environmental review under SEQRA as it relates to the Lease and prior to execution.**

# **MTA METRO-NORTH RAILROAD**

# Staff Summary

<b>Subject</b> <b>LICENSE EXTENSION WITH LAZ PARKING NY/ NJ, LLC FOR THE OPERATION OF COMMUTER PARKING FACILITIES AT VARIOUS METRO- NORTH STATIONS</b>
<b>Department</b> <b>REAL ESTATE</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>
<b>Department Head Signature</b>
<b>Project Manager Name</b> <b>JONATHAN SWISS</b>

<b>Date</b> <b>APRIL 30, 2025</b>
<b>Vendor Name</b>
<b>Contract Number</b>
<b>Contract Manager Name</b>
<b>Table of Contents Ref. #</b>

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North	04/28/25		X	
2	Finance Committee	04/28/25	X		
3	Board	04/30/25	X		

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

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

LICENSEE: LAZ PARKING NY/NJ, LLC ("LAZ")

LOCATIONS: Thirty-six (36) MNR commuter parking facilities ("Facilities")

USE: Commuter parking operation and maintenance

ACTION REQUESTED: Authorization to extend the License Agreement

TERM: 24-month extension commencing on April 1, 2025, then at the sole discretion of MNR, continuing on a month-to-month basis thereafter for a total extension not to exceed 42 months

COMPENSATION: MTA to receive all Gross Revenue over \$441,898 per month, remitted Quarterly

## COMMENTS:

Selected via an RFP, MNR and LAZ entered into a lease agreement dated February 3, 2009 (the "Lease") which expired on March 31, 2022. The Lease provided for MNR to lease the 36 Facilities adjacent to or in the vicinity of 36 MNR stations to LAZ and LAZ would occupy, manage, operate and maintain the Facilities during the term of the Lease.

Due to the impacts of COVID, upon expiration of the Lease, MTA Real Estate determined that it would not have been in MNR's best interest to RFP the commuter parking operation and therefore obtained MTA Board approval to enter into an agreement to continue operations with LAZ. Effective April 1, 2022, upon the expiration of the Lease, MNR and LAZ entered into the Commuter Parking License Agreement (the "License Agreement") pursuant to which MNR granted to LAZ a revocable license to occupy, manage, operate and maintain the Facilities. The term of the License Agreement was for three (3) years commencing on April 1, 2022, and ended on March 31, 2025.

MTA Real Estate is currently working with MNR on the development of a new RFP to lease the Facilities and desires to maintain its current relationship with LAZ relating to the Facilities while the RFP is being finalized. LAZ has agreed to continue to occupy, manage, operate and maintain the Facilities pursuant to the terms of the License Agreement.

During the term of the License extension as utilization of the Facilities recovers from the impact of COVID and additional data is collected regarding the occupancy levels of the Facilities, this data will assist MTA Real Estate and MNR in determining the optimal time to release the RFP and ultimately award a lease to the successful proposer.

# Staff Summary

## LICENSE EXTENSION WITH LAZ PARKING NY/ NJ, LLC FOR THE OPERATION OF COMMUTER PARKING FACILITIES AT VARIOUS METRO-NORTH STATIONS (cont'd)

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Based on the foregoing, MTA RED requests authorization for MNR to enter into an extension of the License Agreement upon the above-described terms and conditions.

<b>Hudson Line</b>
Poughkeepsie
New Hamburg
Beacon
Cold Spring
Garrison
Ossining
Cortlandt
Riverdale
Irvington
<b>Pascack Valley Line</b>
Nanuet
Pearl River
Spring Valley
<b>New Haven Line</b>
Mt. Vernon East
Pelham
Mamaroneck
Harrison
Port Chester
<b>Port Jervis Line</b>
Port Jervis
Otisville
Middletown
Campbell Hall
Harriman
Salisbury Mills
<b>Harlem Line</b>
Wassaic
Tenmile River
Dover Plains
Harlem Valley
Patterson (South Lot)
Southeast
Brewster
Croton Falls
Purdy's
Goldens Bridge
North White Plains
Fleetwood
Woodlawn