

Staff Summary

Subject LEASE AGREEMENT WITH THE GRAND CONCOURSE FOR A CAFÉ AND BAR IN THE POUGHKEEPSIE STATION IN POUGHKEEPSIE, NY	Date May 28, 2025
Department REAL ESTATE	Vendor Name
Department Head Name DAVID FLORIO	Contract Number
Department Head Signature	Contract Manager Name
Project Manager Name JASON ORTIZ	Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Metro-North	05/28/25		X	
2	Finance Committee	05/28/25	X		
3	Board	05/28/25	X		

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

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

LESSEE: 224 TCR LLC. dba The Grand Concourse ("TGC")

LOCATION: Poughkeepsie Station Building, Poughkeepsie, NY

PREMISES: A portion of the Poughkeepsie Station Building consisting of approximately 600 square feet of concession and kitchen space, a non-exclusive license to use approximately 400 square feet of seating area in the waiting area, and an optional 100 square foot mobile kiosk on the overpass of the Poughkeepsie Station Building at 41 Main Street, Poughkeepsie, NY

USE: Operation of an Italian inspired daytime café and evening cocktail bar

ACTION REQUESTED: Authorization to enter into a lease agreement

TERM: Ten (10) years

COMPENSATION: Year 1: \$10,500 per year
Year 2: \$10,506 per year
Years 3-10: \$10,821 per year with 3% annual increases

COMMENTS:

MTA Real Estate issued a Request for Proposals ("RFP") dated March 29, 2024, for the lease of the Premises. Two (2) proposals were received and are summarized below:

Proposer Name	Present Value at 6%
224 TCR LL, DBA The Grand Concourse	\$85,134.82
Chew Chew Bagel Cafe	\$67,636.91

FINANCE COMMITTEE MEETING

LEASE AGREEMENT WITH THE GRAND CONCOURSE FOR A CAFÉ AND BAR IN THE POUGHKEEPSIE STATION IN POUGHKEEPSIE, NY (Cont'd)

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TGC proposed a starting rent of \$10,500 (\$17.50 psf) with three percent (3%) annual increases after Year 2 on a ten (10) year term. TGC plans to initially invest \$160,000 in improvements to the space for its use. Based on their proposal, interview, and supporting information, the most favorable proposal was submitted by TGC.

TGC plans to activate the space with a traditional coffee bar experience during the day, and cocktail bar in the evening. The café aims to become a lively spot for both commuters and local residents by providing excellent service and convenience while creating a welcoming space for guests and staff to enjoy offering healthy, in-house prepared food for any meal of the day.

TGC proposes a renovation of the Premises in compliance with all the MTA required design guidelines. The interior design, fit-out and carpentry will be customized for the historical nature of the Poughkeepsie Station Building, in a format that is warm, rustic, yet accessible and affordable.

Credit and background investigations performed on 224 TCR LLC and its principals found no evidence of criminal conviction history, or other disagreement or reputation issues connected with the aforementioned business. 224 TCR LLC has sufficient financial resources to successfully complete the required improvements and compensation obligations.

MTA Real Estate requested a Broker Opinion of Value for the market rental value of the Premises. The broker noted that publicly reported listings are limited, and traditional market comparables are unavailable due to the unique position of the Location and its distance from the primary retail corridor of downtown Poughkeepsie. The Premises which has been vacant since May 31, 2020, relies entirely on commuter traffic for sales. The broker recommended offering the space at 8% of gross sales for the first two years to establish a breakpoint for a base rent for the remaining term and any option terms. TGC proposed a starting rent of \$10,500 with three (3%) escalations which MTA Real Estate accepted as the best and highest offer.

Based on the foregoing, MTA Real Estate hereby requests authorization for MNR to enter into a lease agreement with TGC on the above-described terms and conditions.