

**MAY 2025**  
**MTA REAL ESTATE**  
**FINANCE COMMITTEE AGENDA ITEMS**

**1. ADMINISTRATIVE ACTION ITEMS**

MTA Metro-North Railroad

- a. Authorization to acquire property interests by negotiated agreement or eminent domain in the Bronx and New Rochelle, for the Penn Station Access Project.

**2. TRANSACTIONAL ACTION ITEMS**

MTA New York City Transit

- b. Lease with Stillwell Transit, Inc. for retail space at Coney Island – Stillwell Avenue Terminal in Brooklyn, NY
- c. Lease with B&B Station Management LLC for retail space at Rockaway Park – Beach 116 Station, (A and S trains) Rockaway Park, NY

MTA Metro-North Railroad

- d. License with Global Java III Inc. for retail space at the Larchmont Station, Larchmont, NY
- e. Lease with the Grand Concourse for a Café and Bar at the MNR Poughkeepsie Station Building in Poughkeepsie, NY
- f. Lease agreement with Vizz Group for a restaurant in the Shuttle Passage at Grand Central Terminal.

**2. INFORMATION ITEMS**

- a. Short-term permit between MNR and the Town of Ossining for the use of commuter parking lots at Ossining Station, Ossining, NY
- b. Entry permit between B&T and Philip Kaplan Glass and Mirror LLC for the use of a sidewalk and one traffic lane on Tunnel Exit Street to support work at 633 Third Avenue, New York, NY

- c. Permit agreement between NYCT and New York City Department of Parks and Recreation for the construction of accessibility improvements at the Broadway Junction Station in Brooklyn, NY
- d. Report on agreements entered into directly by the Real Estate Department pursuant to board policy

<u>Legal Name</u>	<u>Popular Name</u>	<u>Abbreviation</u>
<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).*

# **MTA METRO-NORTH RAILROAD**

# Staff Summary

<b>Subject</b> <b>ACQUISITION OF PROPERTY INTERESTS FOR THE PENN STATION ACCESS PROJECT</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>ANGELA SZU</b>

<b>Date</b> <b>MAY 28, 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	MNR	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: Metropolitan Transportation Authority ("MTA") and MTA Metro-North Railroad ("MNR")

GRANTORS: Various grantors per attached schedule

LOCATIONS: Various locations per attached schedule

ACTIVITY: Acquisition of real property interests in connection with the Penn Station Access Project ("PSA")

ACTION REQUESTED: Authorization to acquire various real property interests through negotiated agreements or eminent domain

COMPENSATION: To be determined separately for each property interest via negotiation or condemnation

## COMMENTS:

In connection with the construction of PSA, a number of real property interest acquisitions will be required for stations (including platforms, stairways, walkways and Americans with Disabilities Act compliance), electrical substations, right-of-way ("ROW") augmentations along Amtrak's Hell Gate Line, and New Rochelle Yard improvements. The properties are listed on the attached schedule.

The MTA will endeavor to acquire all property interests for the project through negotiated agreements, but for a project of this magnitude, the MTA may not be able to reach agreements with all property owners and will be compelled to acquire some property interests through eminent domain. Thus, Board approval is being sought for the MTA to begin taking steps to satisfy the requirements of the Eminent Domain Procedure Law in order to preserve the MTA's rights, lessen the potential for delays to PSA and ensure the timely acquisition of the necessary property interests. If a negotiated agreement to acquire any of the property interests is reached prior to the filing of condemnation papers with the court, the terms of any such agreements will be presented to the Finance Committee and the 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.

**FINANCE COMMITTEE MEETING  
ACQUISITION OF PROPERTY INTERESTS FOR THE PENN STATION ACCESS PROJECT  
(Cont'd.)**

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**BOARD RESOLUTION**

WHEREAS, the MTA is undertaking the construction of the MTA MNR Penn Station Access Project ("PSA");

WHEREAS, in connection with PSA a number of real property interest acquisitions will be required for stations (including platforms, stairways, walkways and Americans with Disabilities Act compliance), electrical substations, Right-of-Way ("ROW") augmentations along Amtrak's Hell Gate Line, and New Rochelle Yard improvements;

WHEREAS, the MTA will endeavor to acquire the real property interests through negotiated voluntary agreements with the affected property owners, in order to preserve the MTA's rights and lessen the potential for future delays to the project if agreements cannot be negotiated in a timely manner, the MTA must take preliminary steps under the Eminent Domain Procedure Law to secure the property interest needed for PSA.

WHEREAS, if a negotiated agreement to acquire any of the property interests is reached prior to the filing of condemnation papers with the court, the terms of any such agreements will be presented to the Finance Committee and the MTA Board for further approval.

NOW THEREFORE, BE IT RESOLVED that in accordance with the Eminent Domain Procedure Law and Section 1267 of the Public Authorities Law, the Chairman or designated staff member of the MTA is authorized to proceed with the acquisition of real property interests in the properties described above by negotiated agreements or eminent domain and to schedule and undertake such preliminary steps, including holding a public hearing, as may be required under the Eminent Domain Procedure Law, in connection with these acquisitions.

BE IT FURTHER RESOLVED that the proposed acquisitions will be subject to prior, satisfactory completion of any required environmental reviews and that the terms of any negotiated agreements will be presented to the Finance Committee and the MTA Board for further approval.

See attachment for list of properties.

This resolution shall take effect immediately upon its adoption.

**FINANCE COMMITTEE MEETING  
ACQUISITION OF PROPERTY INTERESTS FOR THE PENN STATION ACCESS PROJECT  
(Cont'd.)**

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**Acquisition of Various Real Property Interests in Support of the MTA Metro-North Penn Station Access Project by  
Negotiated Purchase or Condemnation**

<u>Borough</u>	<u>Block</u>	<u>Lot</u>	<u>Property Address</u>	<u>Reputed Owner</u>	<u>Type of Interest</u>
Bronx	2599	1	Southern Boulevard	Bruckner RR, LLC	Perm & Temp Easements
Bronx	2599	62	Bruckner Boulevard	980 BLC Owner LLC	Perm & Temp Easements
Bronx	2599	87	980 East 149 <sup>th</sup> Street	980 BLC Owner LLC	Perm & Temp Easements
Bronx	2599	175	East 141 <sup>st</sup> Street	980 BLC Owner LLC	Perm & Temp Easements
Bronx	2599	269	380 Bruckner Boulevard	Bruckner, LLC	Full Fee Simple
Bronx	4018	121	Van Buren Street	1601 Van Buren LLC	Permanent Easement
Bronx	4085	4	1140 Sacket Avenue	Y Properties Holdings II, LLC	Permanent Easement
Bronx	4411	300	1770 Stillwell Avenue	United Cerebral Palsy of New York City, Inc.	Permanent Easements
Westchester	238	10	171 Huguenot Street	SILWIS LLC	Perm & Temp Easements
Westchester	238	5 p/o (F/K/A 21)	12 Commerce Drive	BRP 10 Commerce LLC	Perm & Temp Easements
Westchester	238	20	8 Commerce Drive	Cedar Plaza Associates, LLC	Perm & Temp Easements
Westchester	250	1	8 Joyce Road	Agree Eastern LLC	Perm & Temp Easements
Westchester	267	30	2533 Palmer Avenue	2533 Premium Realty LTD.	Perm & Temp Easements
Westchester	267	15	2525 Palmer Avenue	2525 Palmer Associates LLC	Perm & Temp Easements
Westchester	267	3	Oak Street	Aldanso Realty LLC	Perm & Temp Easements
Westchester	308	29	186 Lispenard Avenue	AMD Realty, Inc.	Perm & Temp Easements
Westchester	308	30	Oak Street	AMD Realty, Inc.	Perm & Temp Easements
Westchester	310	20	2425 Palmer Avenue	Palmer-Petersville Leopold LP	Perm & Temp Easements

# **MTA NEW YORK CITY TRANSIT**

# Staff Summary

<b>Subject</b> <b>LEASE WITH STILLWELL TRANSIT, INC. FOR THE OPERATION OF A TRAVEL CONVENIENCE RETAIL SPACE AT CONEY ISLAND – STILLWELL AVENUE TERMINAL IN BROOKLYN, NY</b>	<b>Date</b> <b>MAY 28, 2025</b>
<b>Department</b> <b>REAL ESTATE</b>	<b>Vendor Name</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>	<b>Contract Number</b>
<b>Department Head Signature</b>	<b>Contract Manager Name</b>
<b>Project Manager Name</b> <b>ARTURO ESPINOZA</b>	<b>Table of Contents Ref. #</b>

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Finance Committee	05/28/25	X			1	Legal		
2	Board	05/28/25	X			3	Chief Administrative Officer		
						2	Chief Financial Officer		

AGENCY: MTA New York City Transit (“NYCT”)

LESSEE: Stillwell Transit, Inc.

LOCATION: Coney Island – Stillwell Avenue Terminal, Brooklyn, NY

PREMISES: Approximately 149 square feet

USE: Operation of a travel convenience retail unit

TERM: Ten (10) years

ACTION REQUESTED: Authorization to enter into a lease

RENT Lease year one rent of \$32,400 subject to annual escalations of three percent (3%)

## COMMENTS:

MTA Real Estate issued a Request for Proposals (“RFP”) dated January 25, 2024, for a lease of the Premises. One proposal was received and is summarized below:

Proposer Name	Present Value at 6%
Taiseer Masurkar	\$272,370

Taiseer Masurkar, the sole proposer, has experience operating convenience stores and gas stations in Long Island and was recently awarded a lease to operate a travel convenience space at Jamaica Center – Parsons/Archer subway station in Queens. Stillwell Transit, Inc. is a newly formed corporation wholly owned by Taiseer Masurkar. Taiseer Masurkar will provide a personal guaranty of the construction, operation, and maintenance of the Premises.

A background and credit investigation performed on Mr. Masurkar and his corporate entity (Masurkar’s USA, Inc.) demonstrates he has excellent credit and the financial resources to undertake the proposed improvements and pay the rent offered.



## **FINANCE COMMITTEE MEETING**

### **LEASE AGREEMENT WITH STILLWELL TRANSIT, INC FOR THE OPERATION OF A TRAVEL CONVENIENCE RETAL SPACE AT CONEY ISLAND – STILLWELL AVENUE TERMINAL IN BROOKLYN, NY(Cont'd)**

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MTA Real Estate obtained an independent appraisal to determine the market value of the of the lease and the Rent offered exceeds the appraised value of \$26,000 per year.

Based on the foregoing, MTA Real Estate requests authorization for NYCT to enter into a lease with Stillwell Transit, Inc. on the above-described terms and conditions.

# Staff Summary

<b>Subject</b> <b>LEASE WITH B &amp; B STATION MANAGEMENT LLC FOR RETAIL STREET LEVEL UNITS AT ROCKAWAY PARK – BEACH 116 STATION, ROCKAWAY PARK, NY</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>RAYMOND SMYTH</b>

<b>Date</b> <b>MAY 28, 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	05/28/25	X		
2	Board	05/28/25	X		

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

AGENCY: MTA New York City Transit (“NYCT”)  
LESSEE: B & B Station Management LLC  
LOCATION: Rockaway Park - Beach 116 St Station  
PREMISES: Station building comprised of five retail spaces  
USE: Various retail uses  
ACTION REQUESTED: Authorization to enter into a lease agreement  
TERM: Thirty-five (35) years

RENT:

Year 1-7:	\$15,000 per year (base rent construction credit)
Year 8-10:	\$15,000 per year
Year 11-15:	\$18,000 with 3% annual increases through year 14
Year 16-20:	\$24,000 with 3% annual increases through year 20
Year 21-35:	\$48,000 with 3% annual increases through year 35

## COMMENTS:

MTA Real Estate issued a Request for Proposal (“RFP”) on October 6, 2022, seeking a master lessee to assume exclusive responsibility for the complete renovation, development, and management and operation of the Premises. Due to prolonged negotiations due to the complexity and extent of the initial improvements, as outlined below, the RFP timeline process extended beyond initial expectations. The initial deadline for RFP bid submissions was January 19, 2023. Following a careful review of the bid submissions, the MTA Real Estate Department decided to provide proposers an opportunity to submit a Best and Final Offer (“BAFO”), with a revised deadline of June 30, 2023. After extensive discussions and evaluations, the Conditional Designation Letter (“CDL”) was executed on December 18, 2023. However, during lease negotiations, delays became a recurring challenge as extended timeframes to respond to key terms and revisions, causing further setbacks to finalizing the agreement.

## FINANCE COMMITTEE MEETING

### LEASE WITH B & B STATION MANAGEMENT LLC FOR STREET LEVEL RETAIL UNITS AT ROCKAWAY PARK – BEACH 116 STATION, ROCKAWAY PARK, NY (Cont'd)

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A total of two (2) proposals were received and are summarized below.

Company	Proposed Rent/Term	Proposed Use	Net Present Value
Adjmi Group	<p>49-Year Initial Term with an additional 49-year term</p> <p>\$40,000 annually for the initial 10 years, with 10% increases after each 10-year period</p>	Various Commercial Retail Uses	\$99,810.00
B & B Station Management LLC	<p>35 Year Term</p> <p><b>Year 1-7:</b> \$15,000 per year (Rent credited)</p> <p><b>Year 8-10:</b> \$15,000 per year</p> <p><b>Year 11:</b> \$18,000 per year</p> <p><b>Year 12-15:</b> 3% annual increases</p> <p><b>Year 16:</b> \$24,000 per year</p> <p><b>Year 17-20:</b> 3% annual increases</p> <p><b>Year 21:</b> \$48,000 per year</p> <p><b>Year 22-35:</b> 3% annual increases</p>	Various Commercial Retail Uses	\$380,422.34

Following review of the proposals, MTA Real Estate requested a Best and Final Offer (“BAFO”) from each proposer. Adjmi Group confirmed that their initial proposal would serve as their BAFO, which included a 49-year initial term with an option for an additional 49-year term. Upon reviewing the Adjmi Group’s proposal, MTA Real Estate found that the proposed capital investment did not justify the requested terms.

Following continued negotiations, MTA Real Estate then determined that the most favorable proposal was from B & B Station Management LLC. As part of the required improvements, B & B Station Management LLC will be required to install a new roof for the Premises and bring the vacant units into a state of good repair. B & B Station Management LLC will sublease the entirety of the Premises. B & B Station Management LLC will be required to provide high-quality retail options aimed at delivering optimal service to NYCT subway and bus passengers, visitors, and the Rockaway Beach community.

In addition to the roof replacement, B & B Station Management LLC will be responsible for all required improvements, including but not limited to white-boxing the three vacant retail units and utility improvements for mechanical, electrical, plumbing, and gas work. Throughout the term, B & B Station Management LLC will be responsible for ongoing maintenance and necessary repairs to the Premises, its components, and all related systems, including fixtures, equipment, and any alterations made by B & B Station Management LLC or any of the sublessees. B & B Station Management LLC has proposed to invest approximately \$1,656,880.00 to cover the total cost of the initial work to the Premises, which includes roof replacement as the most significant item, along with plumbing fixtures, electrical upgrades, and cosmetic improvements.

## **FINANCE COMMITTEE MEETING**

### **LEASE WITH B & B STATION MANAGEMENT LLC FOR STREET LEVEL RETAIL UNITS AT ROCKAWAY PARK – BEACH 116 STATION, ROCKAWAY PARK, NY (Cont'd)**

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A credit and background investigation was performed on B & B Station Management LLC and its principals, and the investigation indicates no history of open civil or criminal records and that B & B Station Management LLC possesses adequate financial resources to complete the required improvements and meet the compensation obligations. Joseph Gagliardotto will personally guaranty B & B Station Management LLC's obligations under the Lease.

The proposed rent for the Premises covers a thirty-five-year term with no option to extend. Tenant's initial bid provided no rent for the first seven years of the agreement. Given the scope and cost of the initial work, during negotiations the Tenant agreed to receive base rent construction credits, in lieu of no rent, in the amount of \$105,000 or \$15,000 annually, which will reduce the base rent payments over the first seven years until fully applied. In the event B & B Station Management LLC defaults under terms of the agreement, the rent credit will be deemed null and void and the full rent will become due and payable.

An independent appraisal of the Premises indicates that the gross annual market rental value of the Premises is \$160,000 per annum. While the rent offered by B & B Station Management LLC is lower than the appraised value, MTA Real Estate has determined that the proposed transaction represents fair market value to NYCT, taking into account the immediate and continuing value of the permanent improvements, including, but not limited to, the replacement of the existing roof which will be at B & B Station Management LLC's sole cost and expenses.

Based on the foregoing, MTA Real Estate hereby requests authorization for NYCT to enter into a lease agreement with B & B Station Management LLC on the above-described terms and conditions.

# **MTA METRO-NORTH RAILROAD**

# Staff Summary

<b>Subject</b> <b>LICENSE WITH GLOBAL JAVA III INC. FOR RETAIL SPACE AT LARCHMONT STATION, LARCHMONT, NY</b>	<b>Date</b> <b>MAY 28, 2025</b>
<b>Department</b> <b>REAL ESTATE</b>	<b>Vendor Name</b>
<b>Department Head Name</b> <b>DAVID FLORIO</b>	<b>Contract Number</b>
<b>Department Head Signature</b>	<b>Contract Manager Name</b>
<b>Project Manager Name</b> <b>JASON ORTIZ</b>	<b>Table of Contents Ref. #</b>

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	MNR	05/28/25		X		1	Legal		
2	Finance Committee	05/28/25	X			2	Chief Administrative Officer		
3	Board	05/28/25	X			3	Chief Financial Officer		

AGENCY: MTA Metro-North Railroad (“MNR”)

LICENSEE: Global Java III Inc. (“Global Java”)

LOCATION: Larchmont Station

PREMISES: Approximately 130 sq. ft.

USE: Operation of a travel convenience retail unit

ACTION REQUESTED: Authorization to enter into a license with Global Java

TERM: Five (5) years and one (1) five (5)-year extension option

COMPENSATION: License year one compensation of \$8,400, subject to three percent (3%) annual escalations, plus eight percent (8%) of gross sales over \$48,000 per annum through the Term

COMMENTS:

MTA Real Estate issued a Request for Proposals (“RFP”) on July 30, 2024, seeking qualified proposals to license the Premises. Two proposals were received and are summarized below:

Proposer	Present Value at 6%
Global Java III Inc.	\$37,440.47
Winfield Street Croton LLC	\$26,744.59

Upon review of the submitted proposals, MTA Real Estate determined that the most favorable proposal was submitted by Global Java, with Sudhir Patel and Radhika Patel as its principals. Global Java is the highest bidder and has been operating at the Premises since July 2008. Global Java has proposed to continue to operate the Premises as a coffee and travel convenience concession.

MTA Real Estate requested a Broker’s Opinion of Value (“BOV”) from Greystone Real Estate Advisors to determine the rental market value of the retail unit, and Global Java’s per annum rent proposal is higher than the BOV of \$4,057 per annum.

# Staff Summary

**FINANCE COMMITTEE MEETING  
LICENSE AGREEMENT BETWEEN MNR AND GLOBAL JAVA III INC. THE RETAIL SPACE AT  
LARCHMONT STATION, LARCHMONT, NY (Cont'd)**

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A credit and background investigation was performed and indicates that Global Java and its principals have no open civil or criminal records and possesses adequate financial resources to pay the proposed license compensation, maintain the required insurance, make the required improvements, and carry out the required property maintenance on the Premises.

Based on the foregoing, MTA Real Estate hereby requests authorization to enter into a license agreement on behalf of MNR with Global Java under the above-described terms and conditions.

# Staff Summary

<b>Subject</b> <b>LEASE AGREEMENT WITH THE GRAND CONCOURSE FOR A CAFÉ AND BAR IN THE POUGHKEEPSIE STATION IN POUGHKEEPSIE, NY</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>JASON ORTIZ</b>

<b>Date</b> <b>May 28, 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	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

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

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,



## **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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interview, and supporting information, the most favorable proposal was submitted by TGC. Patrick McLauchlan will provide a personal guaranty of the construction, operation, and maintenance of the Premises.

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, 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

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. TCG 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.

# Staff Summary

<b>Subject</b> <b>LEASE AGREEMENT WITH VIZZ GROUP LLC FOR A RESTAURANT IN THE SHUTTLE AND VANDERBILT PASSAGES IN GRAND CENTRAL TERMINAL</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>KIM TREVISAN</b>

<b>Date</b> <b>MAY 28, 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	MNR	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		
3	Chief Administrative Officer		
2	Chief Financial Officer		

AGENCY: MTA Metro-North Railroad ("MNR")  
 LESSEE: Vizz Group LLC ("Vizz Group")  
 LOCATION: Grand Central Terminal ("GCT")  
 PREMISES: MC-10, approximately 8,455 sq. ft. located in the Shuttle Passage  
 USE: Operation of a combination quick service and a sit-down restaurant  
 ACTION REQUESTED: Authorization to enter into a lease agreement  
 TERM: Fifteen (15) years

RENT:	Period	Base Rent	Percentage Rent
	Year 1	\$630,000.00	11% of gross sales over a breakpoint of \$6,300,000
	Year 2	\$648,900.00	11% of gross sales over a breakpoint of \$6,489,000
	Year 3	\$668,367.00	11% of gross sales over a breakpoint of \$6,683,670
	Year 4	\$688,418.01	11% of gross sales over a breakpoint of \$6,884,180
	Year 5	\$709,070.55	11% of gross sales over a breakpoint of \$7,090,706
	Year 6	\$730,342.67	11% of gross sales over a breakpoint of \$7,303,427
	Year 7	\$752,252.95	11% of gross sales over a breakpoint of \$7,522,530
	Year 8	\$774,820.54	11% of gross sales over a breakpoint of \$7,748,205
	Year 9	\$798,065.15	11% of gross sales over a breakpoint of \$7,980,652
	Year 10	\$822,007.11	11% of gross sales over a breakpoint of \$8,220,071
	Year 11	\$846,667.32	11% of gross sales over a breakpoint of \$8,466,673
	Year 12	\$872,067.34	11% of gross sales over a breakpoint of \$8,720,673
	Year 13	\$898,229.36	11% of gross sales over a breakpoint of \$8,982,294
	Year 14	\$925,176.24	11% of gross sales over a breakpoint of \$9,251,762
	Year 15	\$952,931.53	11% of gross sales over a breakpoint of \$9,529,315

## **FINANCE COMMITTEE MEETING LEASE AGREEMENT WITH VIZZ GROUP LLC FOR A RESTAURANT IN THE SHUTTLE AND VANDERBILT PASSAGES IN GRAND CENTRAL TERMINAL (Cont'd)**

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### **COMMENTS:**

MTA Real Estate issued a request for proposals ("RFP") dated May 1, 2024 for retail space MC-10 located between the Shuttle Passage and Vanderbilt Passage in Grand Central Terminal. This unit was previously occupied by Rite- Aid Pharmacy until February 29, 2024. In response to the RFP, a single proposal was received by Vizz Group.

The Vizz Group proposal was evaluated according to the Selection Process guidelines outlined in the Real Estate Department Real Property Disposition Guidelines last approved by the MTA Board in March, 202. After initial review and consideration, Vizz Group's proposal was deemed complete and responsible and was additionally evaluated by MTA Real Estate's third-party real estate service providers CBRE and JLL against the selection criteria listed in the RFP and recommended for selection. The net present value of the base rent proposal is \$7,348,207 (calculated at 6%) which is in line with the appraised value of \$100/sf. of the Premises, as estimated by an independent appraiser.

Vizz Group is a current GCT tenant in good standing, operating the Grand Brassiere in Vanderbilt Hall. In MC-10, Vizz Group proposes to operate a combination quick-serve food, retail, and a sit-down bar/restaurant. The proposed menu will include breakfast (bagels, oatmeal, juice bar, and coffee station) and a lunch into dinner menu offering a variety of food choices from salads, pizza, focaccia sandwiches, antipasto platters and desserts. A selection of alcoholic beverages from local distilleries, breweries and vineyards will also be available. Vizz Group will invest approximately \$5 million to improve and fit-out the space.

Based on the foregoing, MTA Real Estate requests authorization to enter into a lease, on behalf of MNR, with Vizz Group under the above-described terms and conditions.