

Staff Summary

Subject ACQUISITION AGREEMENT WITH PALMER CENTER FOR NEW ROCHELLE YARD IMPROVEMENTS IN SUPPORT OF PENN STATION ACCESS
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name JOLYON HANDLER / SHIRLEY MOY / ANGELA SZU

Date JULY 30, 2025
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR	07/28/25		X	
2	Finance Committee	07/28/25	X		
3	Board	07/30/25	X		

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

AGENCIES: Metropolitan Transportation Authority ("MTA"), MTA Construction & Development ("MTA C&D"), and MTA Metro-North Railroad ("MNR")

GRANTOR: Palmer Center LLC ("Palmer Center")

LOCATION: 2425 Palmer Avenue (Westchester Section 1, Block 310, Lot 20) (the "Property")

ACTIVITY: Work and Reimbursement Agreement; acquisition of permanent and temporary easements (the "Easements"); in support of Penn Station Access project ("PSA")

ACTION REQUESTED: Authorization to acquire the Easements from Palmer Center, enter into a revocable license agreement with Palmer Center and enter into a Work and Reimbursement Agreement for Grantor to relocate Grantor's ADA ramp and drainage system to allow for construction of an MTA/MNR retaining wall

REIMBURSEMENT: Not to exceed \$1,320,000

EASEMENT TERMS: Permanent and Temporary

EASEMENT AREAS: Permanent: 181± square feet
Temporary: 1,637± square feet

COMPENSATION: None

COMMENTS:

In connection with PSA's New Rochelle Yard expansion, the MTA must acquire certain permanent and temporary easements from adjacent property owners for the construction of a retaining wall and other improvements.

Palmer Center currently leases a strip of unused MNR right-of-way (the "Leased Premises") from the MTA pursuant to a lease agreement (the "Palmer Center Lease") used to widen Palmer Center's private service road for the circulation of supermarket truck deliveries, employee vehicles, and emergency vehicles and for the installation of drainage structures. The MTA requires possession of the Leased Premises to perform the PSA work and will therefore terminate the Palmer Center Lease. MTA C&D has identified two temporary easements within the Property that are required during construction of the retaining wall, as well as one non-exclusive permanent easement required for future inspection, maintenance, and repair of the retaining wall. As an accommodation to Palmer Center and to avoid any future potential

FINANCE COMMITTEE MEETING

ACQUISITION AGREEMENT WITH PALMER CENTER FOR NEW ROCHELLE YARD IMPROVEMENTS IN SUPPORT OF PENN STATION ACCESS (Cont'd.)

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ownership disputes, the MTA will grant a revocable license to Palmer Center for a narrow strip of MNR property (no wider than 5 feet) between the new retaining wall and Palmer Center's private service road. Such license will contain appropriate protections via indemnification to the MTA and will be terminable "at will" upon 60 days' notice. Licenses of this kind are entered into directly pursuant to the MTA Real Estate Department's Policy and Procedures for Licensing of Real Property, Licenses Requiring Board Approval but Not Requiring Requests for Proposals.

During design, MTA C&D determined that Palmer Center's drainage system and an ADA ramp serving a loading dock on the Property both must be relocated prior to constructing the retaining wall. As part of discussions of the Palmer Center Lease termination and an overall Work and Reimbursement Agreement, MTA C&D provided Palmer Center with the design for the drainage system relocation and negotiated for Palmer Center to perform the required alterations of the drainage system and ADA ramp relocation for a total cost to the MTA not to exceed \$1,320,000. This amount is below both a potential \$3,833,268.73 change order to PSA's Design-Build Contract CBX001 with Halmar International, LLC/RailWorks, Joint Venture and the MTA's internal estimate of \$2,842,977.16.

As part of the discussions between Palmer Center and the MTA, Palmer Center indicated that it is willing to grant the Easements for no consideration.

Based on the foregoing, MTA Real Estate requests authorization for the MTA to acquire the Easements from Palmer Center, enter into a revocable license agreement with Palmer Center and enter into a Work and Reimbursement Agreement with Palmer Center for an amount not to exceed \$1,320,000 on the above-described terms and conditions.