

**JULY 2025**

**MTA REAL ESTATE**

**MTA C&D TRANSIT ORIENTED DEVELOPMENT**

**FINANCE COMMITTEE AGENDA ITEMS**

**1. ADMINISTRATIVE ACTION ITEMS**

Metropolitan Transportation Authority

- a. Eminent Domain Procedure Law Determination and Findings; acquisition of property interests for the Second Avenue Subway Project

**2. TRANSACTIONAL ACTION ITEMS**

MTA Metro-North Railroad

- b. Lease with Rose Companies Holdings, LLC to develop the Beacon Station commuter parking lot
- c. Acquisition agreement with Palmer Center for New Rochelle Yard Improvements in support of Penn Station Access
- d. MTA Long Island Rail Road
- e. License agreement with Jamaica-Archer Live Poultry and Meat Market Inc. for use and occupancy of a parking lot in Jamaica, NY

**2. INFORMATION ITEMS**

- a. 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).*

**METROPOLITAN  
TRANSPORTATION  
AUTHORITY**

# Staff Summary

<b>Subject</b> <b>EMINENT DOMAIN PROCEDURE LAW DETERMINATION AND FINDINGS; ACQUISITION OF PROPERTY INTERESTS FOR 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>JULY 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	07/28/25	X		
2	Board	07/30/25	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA")

PROJECT: Second Avenue Subway Project (the "Project")

ACTIVITY: Acquisition of Fee Interest in Property Listed on the Attached Determination and Findings for Contract 2 of the Project

ACTION REQUESTED: Approval of Determination and Findings Under the New York Eminent Domain Procedure Law ("EDPL")

COMMENTS:

In connection with the construction of Phase 2 of the Second Avenue Subway ("the Project"), MTA requires property located at 124 West 125<sup>th</sup> Street (Block 1909, Lot 46), New York, NY ("the Property"). The 20,183 square foot lot is improved with a one-story commercial building, subdivided into four retail spaces. The Property is required for portions of Contract 2 of the Project.

On June 17, 2025, MTA held an EDPL public hearing to describe the public uses, benefits, purposes and location of the work elements covered by Contract 2; the particular property interest to be acquired, and Contract 2's general impact on the environment. Notices of this public hearing were published in newspapers, as required under the EDPL. Property owners affected tenants, and other interested parties were also given advance notice of the hearing by certified mail. MTA Construction and Development ("MTA C&D") personnel attended this hearing.

Following a presentation by MTA's hearing officer, speakers made statements about the Project and the proposed property acquisitions. In addition, written submissions with comments about the Project and the proposed property acquisitions were received by MTA prior to the end of the written submission period at the close of business on June 24, 2025 at 5:30 p.m. A summary of the statements and written comments is contained in the attached Determination and Finding.

# Staff Summary

## FINANCE COMMITTEE MEETING

### EMINENT DOMAIN PROCEDURE LAW DETERMINATION AND FINDINGS; ACQUISITION OF PROPERTY INTERESTS FOR THE SECOND AVENUE SUBWAY PROJECT (cont'd)

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After due consideration of all statements made during the EDPL public hearing and comments period, MTA staff recommends Board approval of the acquisition, by eminent domain, if necessary, of the property interest described in the attached Determination and Findings. The issues raised at the EDPL public hearing and comment period have been addressed during detailed public review of the Project, including the Final Environmental Impact Statement for the Project issued by the FTA and MTA in April 2004 together with supplements thereto, found on the MTA website. Moreover, MTA, MTA C&D and project staff will continue to work with property owners, tenants, and other potentially affected parties as the Project moves forward to mitigate project related impacts as much as possible.

A copy of the Determination and Findings under the EDPL is attached for the Board's consideration and approval.

MTA staff hereby requests Board approval of the attached Determination and Findings. This action will authorize MTA staff and counsel to continue with the Eminent Domain proceedings to acquire the required property interest by eminent domain, if necessary.

**DETERMINATION AND FINDINGS PURSUANT TO ARTICLE 2  
OF THE NEW YORK EMINENT DOMAIN PROCEDURE LAW  
CONTRACT 2--PHASE 2 OF THE SECOND AVENUE SUBWAY PROJECT**

In accordance with Section 204 of the New York Eminent Domain Procedure Law ("EDPL"), the Board of the Metropolitan Transportation Authority ("MTA") hereby approves the acquisition of property interest described below by eminent domain, if necessary, and adopts the following statutory findings:

**1. EDPL Public Hearing.** On June 17, 2025, MTA held an EDPL public hearing to inform the public and to receive the public's comments on proposed property acquisitions for portions of Contract 2, Phase 2, of the Second Avenue Subway Project (the "Project"). All oral comments received at the hearing and all written comments received by the end of the written submission period following the hearing have been reviewed, made part of the record, and given due consideration.

**2. Location of Property Required.** The location and nature of the property interest required for portions of Contracts 2 and hereby approved for acquisition, are as described on the chart below.

At the June 17, 2025 public hearing and in letters and maps mailed to property owners and interested parties prior to the public hearing, MTA provided more detailed descriptions of the required property interest and estimated time frames when the property interest would be needed for the Project.

MTA reserves the right to acquire a lesser interest in any of the properties described below, or to refrain from acquiring any of such property interest, as dictated by the needs of the Project.

**3. Public Use, Purpose and Benefits.** With respect to the Project in general, the Second Avenue Subway will be a new, two-track, approximately 8.5-mile rail line with 16 new stations extending the length of Manhattan's East Side corridor from a terminal station at 125<sup>th</sup> Street and Lexington Avenue in Harlem to Hanover Square in Lower Manhattan. The new line will make the neighborhoods of the East Side more accessible not only to those who live there, but to visitors and workers traveling from other parts of New York City as well. Not only will the Second Avenue Subway serve existing neighborhoods on the densely developed East Side of Manhattan, but it will also support emerging growth in several areas, including East Harlem, the Lower East Side and Chinatown.

The Second Avenue Subway will provide for two subway services in the East Side corridor. The first will be a full-length Second Avenue route operating between 125<sup>th</sup> Street and Hanover Square with 16 new stations serving this area. The second service will operate along Second Avenue from 125<sup>th</sup> Street to 63<sup>rd</sup> Street, where it will divert west along the existing 63<sup>rd</sup> Street Line and terminate at the existing Lexington Avenue/63<sup>rd</sup> Street Station; it will then join the existing Broadway Line via an existing tunnel connection and serve existing express stations along Seventh Avenue and Broadway before crossing the Manhattan Bridge to Brooklyn. Passengers traveling to Lower Manhattan on this route could transfer for local service to destinations south of Canal Street.

As a result, passengers traveling between East Harlem and the Upper East Side will be able to reach both the eastern and western sides of Lower Manhattan. Passengers traveling to and from Brooklyn also will be better served by the new service to the East Side provided both through the Broadway Line service and the anticipated free transfers to be provided at several stations, including the Grand Street B/D Line and the Second Avenue F line. Subway passengers from the Bronx will benefit from free transfers at the Lexington Avenue 4/5/6 125th Street Station, among others.

The Second Avenue Subway will provide more flexibility for passengers traveling along the eastern side of Manhattan, where subway service is currently limited to one line — the severely overcrowded Lexington Avenue Line — for much of the area. The expanded Second Avenue service thus will provide a needed alternative to the Lexington Avenue Line in the event of shutdowns to that service due to emergencies or breakdowns. Finally, with a new connection at 125<sup>th</sup> Street, the Project will also improve regional access to the various East Side neighborhoods from the existing Metro-North Railroad.

The Second Avenue Subway is already partially open. Currently, the northern terminal for the Q train is on Second Avenue and 96th Street. The line runs south to 63rd Street where it joins the existing Broadway Line. The instant project, which is the second phase of the Second Avenue Subway, will extend the Q service further north in Manhattan to 125th Street and Lexington Avenue.

Contract 2 consists of the construction of the underground tunnels and stations between 115th Street and 2nd Avenue, northward along 2nd Avenue and then westward along 125th Street between 2nd Avenue to a site west of Malcom X Boulevard (Lenox Avenue). The work includes the restoration and conversion of an existing 2nd Avenue subway tunnel into a new passenger station at 116th Street. The work on 2nd Avenue will include cut-and-cover construction at various locations between 115th Street and 120th Street, and at the site near Malcom X Boulevard; twin bored tunnels via tunnel boring machine; and deep, mined caverns and tunnels for the 125th Street Station. The off-street work sites are at the northeast corners of 115th Street, 116th Street, and 118th Street; the southwest corner of 120th Street; a site on the south side of 125th Street between 2nd and 3rd Avenues; the southeast corners of Lexington and Park Avenues; and the site west of Malcom X Boulevard.

**4. Reasons for Selecting the Location Covered by Contract 2:** The property interest necessary to be acquired for Contract 2 are generally located on Second Avenue between East 105th Street and East 125<sup>th</sup> Street as well as along 125<sup>th</sup> Street. The Project's specific location and alignment within this area were determined after years of detailed planning, environmental review and public outreach. MTA and the Federal Transit Administration ("FTA") fully evaluated alternatives during that process, as set forth in detail in the Final Environmental Impact Statement for the Second Avenue Subway ("FEIS") issued in April 2004. In July 2004, FTA issued a Record of Decision for the Project, which signified that the project is eligible for continued federal funding and support. Additionally, MTA prepared a Supplemental Environmental Assessment ("SEA") for Phase 2 of the Project, for which FTA issued a Finding of No Significant Impact ("FONSI") in November 2018. Additionally, FTA issued a Supplemental Environmental Assessment Re-Evaluation in

August 2020 and finally, FTA issued a Supplemental Environmental Assessment Re-Evaluation

in April 2025. The FEIS, Record of Decision, SEA and Supplemental Environmental Assessment Re-Evaluations, and all evaluations and environmental findings presented in the FEIS, Record of Decision, SEA and Supplemental Environmental Assessment Re-Evaluation are hereby incorporated by reference.

**5. General Effect of on the Environment and Residents of the Locality.** The environmental impacts of the Project as a whole and for Phase 2 are thoroughly covered in the FEIS, the SEA and Supplemental Environmental Assessment Re-Evaluation. The general environmental impacts for the Project are summarized as follows:

Construction activities under these contracts will result in unavoidable increases in traffic, truck movements, dust, noise, and vibrations in the areas nearby. Trucks will travel to and from sites supporting subway tunnel, station cavern, ancillary building, and entrance construction making deliveries and removing earth and other materials. Certain construction activities could require restricting access to buildings for several hours. In most cases, safe access to buildings, including street-level businesses, will be maintained throughout the construction period, although pedestrian and vehicular access will be altered or restricted by the construction of sidewalk sheds and the removal of parking and travel lanes. The visibility of some businesses will be reduced. To help minimize potential impacts, MTA will make every reasonable effort to maintain access; control dust, noise, and vibration; screen construction activities; control rodents and pests; and minimize other disruptions, where practicable.

With respect to transportation impacts, a minimum of four lanes will be maintained on Second Avenue for vehicular traffic adjacent to work zones by prohibiting curbside parking, pick-ups/drop-offs and deliveries, relocating bus stops and narrowing sidewalks to a minimum of 7 feet. Partial sidewalk closures, as well as lane closures may be required adjacent to the work sites. In addition to reducing roadway capacity, construction activity will increase truck volumes on streets and avenues within the project area which will be affected by deliveries to and from the construction zones. In addition, construction will generate an increase in the volume of truck traffic throughout the project area for soil removal from and materials delivery to the construction sites. MTA will work with New York City Department of Transportation to implement and monitor a comprehensive traffic mitigation plan for the Project. The traffic mitigation plan will be refined as needed to accommodate traveler and community needs while maintaining the safe and efficient construction of the subway in as timely a manner as possible.

With respect to economic impacts, businesses could be adversely affected by the disruptions associated with construction activities, such as reduced pedestrian and vehicular access, removal of parking, and reduction in the visibility of some businesses, particularly retail establishments with outdoor activities on the sidewalk, which may have to be removed when construction is occurring nearby. Though temporary, these disruptions could affect the businesses' revenue streams and could make the areas in the vicinity of construction activities less desirable locations while construction is underway. To help mitigate these impacts, MTA will promote high-quality design of sidewalk sheds, such as the addition of windows, better lighting, and good store signage around construction sites. MTA will coordinate with businesses to address access/delivery issues; and provide special loading and unloading areas on nearby side streets to locations where access will be curtailed in front of buildings during construction. In those designated side street areas, parking may be prohibited to allow more reliable deliveries and

pick-ups. MTA will employ an extensive community outreach program throughout construction to keep the affected neighborhoods informed about construction activities taking place. MTA will use the outreach program to work closely with business organizations, community groups, schools, houses of worship, and other organizations to share information about project-related construction activities

Public parks and open spaces close to construction sites will be adversely affected by construction activities, resulting in temporary access limitations or construction disturbance, such as increased noise and dust. The MTA will construct light screens, employ best management practices to control dust, and use specially quieted construction equipment wherever practicable to separate parks from construction activities.

With respect to displacement and relocation, for certain properties, businesses and residents who are displaced by these acquisitions may be eligible for relocation benefits and assistance under the Uniform Relocation Assistance and Real Property Acquisition Act. ("URA"). MTA and its representatives will provide detailed information on such benefits to these businesses and residents as the Project proceeds.

With respect to archeological resources, research that was done for the FEIS found that the area along Second Avenue and along 125<sup>th</sup> Street was sensitive for Native American resources at a depth of up to 23 feet below the surface. MTA will perform additional work to determine whether any archaeological resources are actually present and whether those resources are significant and eligible for the State and National Register of Historic Places. Mitigation measures such as data recovery, public interpretation, or additional analysis and curation, will be developed and implemented where future work confirms the presence of significant archaeological resources (i.e., resources that are eligible for listing on the State and National Registers) that will be adversely affected by the Project.

With respect to air quality, the FEIS analysis concluded that the project's construction activities, including truck trips, congestion, and diversions to existing traffic, will not result in significant adverse impacts to air quality. MTA's contractors will be required to follow measures to reduce construction-related air pollution to the maximum extent practicable. The FEIS required an aggressive dust control program that includes dust covers for trucks, (water) spray misting exposed areas, and using safe chemical dust suppressants to treat and control spoils at construction areas. In addition, the contractor will be required to establish a program to control emission from blasting, where blasting is used. All diesel engines of 50 horsepower or greater must meet EPA Tier 3 emissions rating and be retrofit with a diesel particle filter. Truck fleets working on or serving the construction sites must be mode Vehicles making deliveries and removing materials from construction sites will not be permitted to idle for more than 3 minutes unless it is necessary for the construction work. Temporary power will be used where practicable in lieu of generators. Solar powered equipment and electric engines will be used in lieu of diesel and gasoline engines where practicable.

With respect to noise and vibration, mining operations in rock will use drilling and controlled blasting, and except for some limited locations where vertical blasting may occur, most of the noise will be contained underground and is not expected to be discernible. Vertical blasting is blasting that must be performed to create vertical access or ventilation shafts to the street. At locations



where vertical blasting will occur, noise from the blasting will be discernible to nearby residences and businesses for very short periods of time (that is, for the several-second duration of the blast) but will be limited to the hours of 7 AM to 10 PM, except in extraordinary circumstances. In general, due to the short duration of these events, average hourly noise levels will not be significantly affected by the blast noise. Noise will also be generated from ground improvement and trucking activities, slurry wall construction, spoils removal at stations and from the tunnels, and other activities. To reduce noise associated with construction, performance standards will be established by MTA and included with contract documents that must be met by all contractors during construction.

Prior to construction, ambient noise measurements will be taken at noise-sensitive locations. Once construction begins, 24-hour noise monitoring stations will also be established; these stations will provide MTA with the ability to monitor its contractors to ensure that the performance standards established by MTA are met. Contractors will also be required to develop noise monitoring and reporting protocols to be used during construction to ensure compliance with the performance standards and will have to obtain certificates of equipment noise compliance from MTA or its designee for all construction equipment employed throughout the project. Ultimately, at the time of construction, MTA's contractors will be able to select from a range of noise abatement measures to ensure that construction noise does not exceed the performance standards.

With respect to ground borne noise and vibration, construction will result in varying degrees of ground vibration, depending on the stage of construction, the equipment and construction methods employed, and the distance from the construction to buildings and vibration-sensitive structures. Due to the close proximity of sensitive receptors, vibration levels during a large portion of the period of construction will be perceptible. MTA will implement a rigorous program of special measures to minimize potential impacts to uses (such as hospitals and other medical facilities) and structures (such as historic buildings) that are sensitive to vibration levels. Construction Protection Plans ("CPPs") will be developed for Phase 2 contracts that will include measures to protect Built and Archaeological properties prior to and during construction. The CPPs will outline the specific requirements for preconstruction surveys, vibration monitoring and thresholds, and crack and settlement monitoring to ensure that historic built properties are protected during construction.

With respect to contaminated materials impacts, there is a potential that during construction contaminated soil, soil gas, or groundwater could be uncovered, either in locations where research indicated a potential problem or in other unexpected locations. Preventive measures will be undertaken to protect the safety of the public, community residents, and construction workers, as well as transit workers and the larger environment where the preliminary investigation has indicated that construction has the potential to encounter contaminated materials. These include further investigations to better determine the nature and extent of contamination in areas where the project might encounter it, requirements that contractors perform additional borings before excavation for review and approval by MTA, and prescribed construction measures to manage contaminated materials during construction. Work will be coordinated with the New York State Department of Environmental Conservation as appropriate and in accordance with applicable requirements.

In sum, all practical means to avoid or minimize environmental harm from the work covered by Contract 2 will be adopted. MTA will incorporate into design, construction, and operation all

mitigation measures identified in the FEIS, SEA and Supplemental Environmental Assessment Re-Evaluations, as well as any additional measures identified during final design. These measures constitute all practicable mitigation measures and will address impacts to the fullest extent practicable.

## **COMMENTS**

At the public hearing, oral comments were received from the public, and it was stated that written comments would be accepted until the close of business on June 25, 2025.

The following summarizes the comments received: (a) expressing support for the project to move forward without delay, together with community-driven recommendation for future development of East Harlem's 125th St. corridor; (b) concerns about timeline for commercial property displacement; (c) questions regarding construction methods and effects on soil; (d) concerns regarding residential displacement; (e) questions regarding CBTC signaling for Phase 2; (f) concerns regarding design, number of tracks, and station locations; and (g) a desire for open communication with MTA and its willingness to work with the community through the construction period as well as after the stations are built.

All comments have been given careful, extensive, and due consideration by MTA.

## **DETERMINATION**

Based on due consideration of the record and the foregoing findings, it is determined that the MTA should exercise its power of eminent domain to acquire the property interest set forth in the chart below in order to promote and permit the purposes of the Project to be achieved.

Copies of this Determination and Findings are available and will be forwarded without cost and upon request, by writing to:

Joseph O'Donnell, Director of Public Affairs  
MTA Construction & Development  
2 Broadway, D8135,  
New York, N.Y. 10004

**ANYONE SEEKING JUDICIAL REVIEW OF THE ABOVE DETERMINATION AND FINDINGS MUST COMMENCE A LEGAL PROCEEDING IN ACCORDANCE WITH EDPL § 207 NO LATER THAN 30 DAYS AFTER MTA COMPLETES ITS TWO-DAY PUBLICATION OF THIS DOCUMENT, OR A SYNOPSIS THEREOF. UNDER EDPL § 207 AND § 208, THE EXCLUSIVE VENUE FOR SUCH PROCEEDING IS THE APPELLATE DIVISION, FIRST JUDICIAL DEPARTMENT, 27 MADISON AVENUE, NEW YORK, NEW YORK 10010.**

**Acquisition of fee interests for construction of ancillary facilities, excavation of a ventilation shaft for extraction of the Tunnel Boring Machine and related support of excavation, together with construction staging and laydown.**

<b>Block</b>	<b>Lot</b>	<b>Type of Interest</b>	<b>Property Address</b>
1909	46	Full Fee Taking	124-130 West 125 <sup>th</sup> Street

# **MTA METRO-NORTH RAILROAD**

# Staff Summary

Subject <b>LEASE WITH ROSE COMPANIES HOLDINGS, LLC FOR THE BEACON STATION PARKING LOT</b>
Department <b>TRANSIT ORIENTED DEVELOPMENT</b>
Department Head Name <b>MIRIAM HARRIS</b>
Department Head Signature
Project Manager Name <b>NICHOLAS ROBERTS</b>

Date <b>JULY 30, 2025</b>
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 Development Officer		
3	Chief Financial Officer		

AGENCY: Metropolitan Transportation Authority ("MTA") and MTA Metro-North Railroad ("MNR")

COUNTERPARTY/  
GROUND LESSEE: Rose Companies Holdings, LLC, a Delaware limited liability company (sometimes referred to as Jonathan Rose Companies ("Rose Companies"), or a to be a formed affiliate of Rose Companies, controlled directly or indirectly by Jonathan F.P. Rose and which Jonathan F.P. Rose owns directly or indirectly not less than 10% of the beneficial and voting interests (such to be formed entity, "Ground Lessee")

LOCATION: The "North" commuter surface parking lot (the "Property") located at MNR's Beacon Station (the "Station")

ACTIVITY: (a) Conditional designation of Rose Companies to develop the Property into a mixed-use residential and retail transit-oriented development pursuant to a triple net lease (the "Lease") and construct a stand-alone MNR Replacement Garage (as defined below) pursuant to a design and construction agreement (the "D&C Agreement") for MTA/MNR's exclusive use, with a term commencing on the possession date and ending 99 years following a construction period of approximately 3 years from the 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, D&C Agreement and other material Transaction documents.

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

COMPENSATION: 1. Base Rent: \$669,430 per year, escalating every five years at 115% of the preceding year's base rent, and reset to fair market value every 25 years, with a floor no less than the greater of 115% of the preceding year's base rent or the percentage increase in CPI over the applicable Base Rent reset period and a cap of 125% of the preceding year's base rent.

## FINANCE COMMITTEE MEETING

### LEASE WITH ROSE COMPANIES HOLDINGS, LLC FOR THE BEACON STATION PARKING LOT (Cont'd.)

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2. Supplemental Rent: Following completion of the MNR Replacement Garage, supplemental rent payments equal to the real property taxes that would otherwise be owed on the land only portion of the Property for a period of 2 years while the Ground Lessee is constructing the new improvements, and then on the land and the new improvements as if the Property were not tax-exempt but with benefit of a 15-year tax abatement following the completion of the new improvements. Such supplemental rent will escalate annually over the 15-year period consistent with the 15-year tax abatement offered by the Dutchess County IDA for comparable developments.
3. Additional Compensation. Construction and perpetual maintenance of certain public realm improvements at Ground Lessee's expense and annual common area maintenance charges of \$50,000 for shared use of the private access drive.

#### COMMENTS:

#### BACKGROUND

The Property is an approximately 4.5-acre parcel and is the northernmost MNR commuter parking lot located on the east side of the Station in the Waterfront Development District of the City of Beacon ("Beacon"). The Property is comprised of two tax lots and improved with 573 surface parking spaces: 484 commuter spaces and 89 MNR employee spaces. The Property will be developed in two phases (collectively, the "Project"). In Phase 1 of the Project, the Ground Lessee will construct and deliver to MTA/MNR a MNR parking garage that will replace on a 1-1 basis the existing 573 surface parking spaces currently located at the Property (the "MNR Replacement Garage"). Phase 1 of the Project is anticipated to take approximately one year from the commencement of construction. Following the delivery of the MNR Replacement Garage, the Ground Lessee will commence Phase 2 of the Project, which will entail the construction of a mixed-use (residential and retail) transit-oriented development component which is anticipated to take approximately two years to complete. The cost to construct the MNR Replacement Garage will be borne by the Ground Lessee; the Ground Lessee will be reimbursed in amount up to \$24,125,000 for eligible expenses by a Redevelopment of Underutilized Sites for Housing ("RUSH") grant provided by the State as part of Governor Hochul's initiative to spur housing construction on State land. Following the completion of the MNR Replacement Garage, this new parking facility dedicated to commuter and employee parking will be turned over to MNR free and clear of all liens and encumbrances for its operation and maintenance.

#### RFP PROCESS

On October 31, 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 3 years for the construction of the Project. Eight developers submitted proposals (the "RFP 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 eight proposers were Rose Companies, Hudson Companies ("Hudson"), Terwilliger-Bartone ("Bartone"), NRP, Weber Development, the Delaine Group, Beacon Communities, LLC ("Beacon Communities"), and Spinnaker (collectively, the "RFP Respondents").

An MTA RFP selection committee was formed to evaluate the RFP Responses (the "Selection Committee"). The Selection Committee consisted of TOD and MNR representatives and based its analysis on the following RFP criteria:

- Financial returns to MTA based on ground rent proposals
- Project design and feasibility
- Relevant Experience of the Proposers
- Financial Resources Sufficient to construct, operate and guarantee obligations
- Agreement on Basic Transaction Terms
- Minimizing utilization of RUSH funds

## FINANCE COMMITTEE MEETING

### LEASE WITH ROSE COMPANIES HOLDINGS, LLC FOR THE BEACON STATION PARKING LOT (Cont'd.)

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Given the RFP criteria, the Selection Committee determined that the Beacon Communities, Delaine Group, and Spinnaker proposals were outside the competitive range of the overall proposals, and that Bartone, Hudson, NRP, Rose Companies, and Weber Development should be invited to present their development plans to the Selection Committee (the "First Round Interviews"). Based on the quality of the 1<sup>st</sup> Round Interviews, the Selection Committee decided to shortlist Bartone, Hudson, NRP, and Rose Companies (the "Shortlisted Respondents") and invite them for follow-up interviews that focused on specific financial and site plan issues (the "Second Round Interviews"). Following the Second Round Interviews, the Selection Committee invited the Shortlisted Respondents to submit Best and Final Offers ("BAFOs").

Based on the BAFOs, the Selection Committee determined that NRP and Bartone's BAFOs were not within the competitive range of Hudson and Rose Companies, and accordingly, Hudson and Rose Companies were invited to improve their BAFOs. Both Hudson and Rose Companies submitted contextually thoughtful designs intended to advance MTA and Beacon urban realm objectives; similarly, Hudson and Rose Companies demonstrated that they possessed the requisite experience and financial resources to deliver the Project. The differentiating factor between the two proposals was ultimately the amount of ground rent payable for the Property, and Rose Companies submitted the superior ground rent offer. As such, TOD selected Rose Companies' proposal as the most advantageous to the MTA/MNR for the RFP. An overview of the Rose Companies' proposal is set forth below:

Proposer	Housing Units	Public Realm Improvements	Retail Space	Parking Spaces	Compensation (PV @6%)
Rose Companies-	265	The MNR Replacement Garage and a large public plaza and retail space on southern side of the Property	15,000 sf	270 spaces for residential tenants	\$16.5 million - \$17.5 million

Rose Companies proposed present-value compensation of \$17.5 million is based on the assumption that the base rent compensation adjustment every 25 years to market will be determined at 125% of the preceding year's base rent (i.e., the ceiling, not the floor), however, if calculated at the floor percentage increase of 115%, the present-value compensation would be \$16.5 million, which is consistent with or exceeds an independent fair market rental appraisal commissioned by TOD. Rose Companies may elect to accelerate payment of base rent with upfront rent payments if MTA agrees and provided that the upfront rent payments preserve a present-value compensation of \$17.5 million.

The final proposals received from all Proposers will be publicly disclosed in the agenda for the meeting of the Finance Committee of the MTA and MNR 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 MNR Boards and to members of the MTA and MNR Boards in executive session, and thereafter publicly disclosed prior to Lease execution.

The sequence of the proposed Transaction is as follows:

- Rose Companies and TOD will negotiate and enter into the Pre-Lease and Development Agreement, whereby Rose Companies will fund the balance of the good faith deposit of \$669,430 (as described below) and pursue good faith efforts to (x) obtain all necessary local approvals for the Project, including the requisite Beacon zoning and site plan approvals, (y) negotiate acceptable forms of impact agreements with Beacon and certain other applicable taxing jurisdictions, and (z) in coordination with TOD and MNR staff, 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 any required SEQRA findings by the MTA and MNR Boards, and subject to approval of the Transaction and the Lease by the MTA and MNR Boards, MTA and Ground Lessee will execute the Lease, Jonathan F.P. Rose or Rose Companies 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 impact agreements, following which Rose Companies/Ground Lessee will complete the design of

## FINANCE COMMITTEE MEETING

### LEASE WITH ROSE COMPANIES HOLDINGS, LLC FOR THE BEACON STATION PARKING LOT (Cont'd.)

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the Project, construct the MNR Replacement Garage and the other new Project improvements, and operate and maintain the new Project improvements (excluding the MNR Replacement Garage) for the term of the Lease.

## RECOMMENDATION

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

1. Conditionally designate Rose Companies as the selected proposer under the RFP pursuant to a Conditional Designation Letter Agreement ("CDL") that will have attached to it the Abstract of Basic Transaction Terms derived from the RFP as further developed to incorporate the final Rose Companies' proposal. The CDL will be conditioned upon Rose Companies and MTA entering into an expense reimbursement agreement whereby Rose Companies will pay for all of MTA, MNR and MTA Construction and Development Company's third party expenses and force account and accommodation services in connection with the pre-development of the Project following Rose Companies' conditional designation and during the pre-lease period before execution of the Lease, funding an expense reimbursement deposit in an amount to be determined and funding one-half of the \$814,000 good-faith deposit.
2. Negotiate with Rose Companies and the Ground Lessee (a) a Pre-Lease and Development Agreement governing the actions to be taken by Rose Companies and/or the Ground Lessee in coordination with TOD and MNR staff, as pre-conditions to the Transaction during the period following the CDL and before execution of the Lease and D&C Agreement, including (i) obtaining necessary local approvals for the Project, (ii) negotiating acceptable forms of impact agreements with Beacon, and (iii) in coordination with TOD and MNR staff, undertaking the environmental review required pursuant to SEQRA, and (b) the forms of the Lease, D&C Agreement and other material Transaction documents to be attached to the Pre-Lease and Development Agreement.
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 the MTA and MNR Boards' final approval of the proposed Transaction, **provided that the execution of the Lease and other Transaction documents will be conditioned upon further MTA Board and MNR Board approval following completion of environmental review under SEQRA as it relates to the proposed Transaction.**



# Staff Summary

<b>Subject</b> <b>ACQUISITION AGREEMENT WITH PALMER CENTER FOR NEW ROCHELLE YARD IMPROVEMENTS IN SUPPORT OF PENN STATION ACCESS</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>JOLYON HANDLER / SHIRLEY MOY / ANGELA SZU</b>

<b>Date</b> <b>JULY 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	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.

# **MTA LONG ISLAND RAIL ROAD**

# Staff Summary

Subject <b>LICENSE AGREEMENT WITH JAMAICA-ARCHER LIVE POULTRY AND MEAT MARKET INC.FOR USE AND OCCUPANCY OF A PARKING LOT IN JAMAICA, NY</b>
Department <b>REAL ESTATE</b>
Department Head Name <b>DAVID FLORIO</b>
Department Head Signature
Project Manager Name <b>NEIL MASTROPIETRO</b>

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

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

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

AGENCY: MTA Long Island Rail Road ("LIRR")

LICENSEE: Jamaica-Archer Live Poultry and Meat Market Inc.

LOCATION: Lot adjacent to 92-56 165th St, Jamaica, NY

PREMISES: Approximately 1,245 SF parking lot

USE: Commercial parking for customers of adjacent poultry market

TERM: Earlier of ten (10) years or the date on which the expiration or earlier termination of the lease for the adjacent Lot occurs

TERMINATION: Terminable "at will" by providing 30 days notice

ACTION REQUESTED: Authorization to enter into a license agreement

COMPENSATION: \$9,500 per annum (\$7.63 per square foot) with 3% annual increases

## COMMENTS:

In connection with the Jamaica Capacity Improvement ("JCI") Phase II project ("Project"), the MTA acquired the Premises via EDPL on September 23, 2024. The Premises is currently used by the Licensee as a parking lot in support of the poultry business operated by Licensee's principal, located in the adjacent retail building. Licensee's principal d/b/a Archer Halal Poultry occupies the adjacent retail building via a lease agreement with the former owner of the Premises, 145-26/26A Liberty Avenue, LLC / Bellino Equities, LLC.

Licensee has requested to continue to use and occupy the Premises as a parking lot. MTA C&D confirmed that the Premises, which will be used to house a signal tree in support of LIRR operations surrounding Jamaica Station, will not be needed for at least three years, possibly longer and had no objection to Licensee's continued use until such time as it is required for construction for the Project. In addition to generating revenue, entering into a license agreement avoids costs associated with securing and maintaining the parking lot while it remains unused by the Project.

Per the MTA Real Estate Department's Policy and Procedures for Licensing of Real Property, *Licenses Requiring Board Approval But Not Requiring Requests for Proposals*, Circumstance 2 states: The market rental value of the space in question, using standard practices for determining such market value, is considered less than \$5,000 per year or less than

## **FINANCE COMMITTEE MEETING**

### **LICENSE AGREEMENT WITH JAMAICA-ARCHER LIVE POULTRY AND MEAT MARKET INC.FOR USE AND OCCUPANCY OF A PARKING LOT IN JAMAICA, NY (cont'd)**

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\$10.00 per square foot, whichever is greater. Here, the Compensation falls within an acceptable competitive range which is \$7.50 - \$8.67 per square foot, as determined by an independent broker's opinion of value.

Based on the foregoing, MTA Real Estate requests authorization to enter into a License Agreement on behalf of the LIRR with Hasin Arman under the above-described terms and conditions.