

Staff Summary

Subject LEASE WITH THE SAW PIT AT PORT CHESTER STATION LLC. FOR THE PORT CHESTER STATION BUILDING	Date SEPTEMBER 30, 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						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Metro-North	09/29/25		X		1	Legal		
2	Finance Committee	09/29/25	X			2	Chief Administrative Officer		
3	Board	09/30/25	X			3	Chief Financial Officer		

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

LESSEE: The Saw Pit at Port Chester Station LLC. ("TSP")

LOCATION: Port Chester Station Building ("Station Building")

PREMISES: Station Building totaling approximately 5,632 sf with adjacent outdoor area of 3,600 sf, plus seven (7) parking spaces

USE: Railroad-compatible retail or restaurant operation with brewery/brewpub operations and ancillary and incidental uses thereto.

ACTION REQUESTED: Authorization to enter into a lease agreement

TERM: Ten (10) years and two (2) five (5) year extension options plus a (9) month construction period

COMPENSATION: Years 1-10: \$120,000.00 per annum with three percent (3%) escalations
Each 5-year extension option is subject to a fair market value determination

COMMENTS:

MTA Real Estate issued a Request for Proposals ("RFP") dated June 3, 2024, for the Station Building which is currently vacant and was previously occupied by One Track Mind who vacated on July 1, 2022. Three (3) proposals were received, and the proposals are summarized below:

Proposer Name	Present Value at 6%
Ray's Pizza	\$998,256.45
TSP	\$913,350.79
Famous Greek Kitchen ("FGK")	\$885,048.91

Each of the three proposers proposed an annual rent of \$120,000 with 3% annual increases over a 10-year lease term. The Net Present Value (NPV) calculations take into account varying requests for initial free rent periods: Rays Pizza requested none, TSP requested 9 months, while FGK requested 12 months. While FGK's total effective term is 9 years, TSP has proposed a 9-month construction period following the lease execution date, after which they will commence rent payment for the full lease term of 120 months.

FINANCE COMMITTEE MEETING

LEASE AGREEMENT WITH THE SAW PIT AT PORT CHESTER STATION LLC. FOR THE PORT CHESTER STATION BUILDING (Cont'd)

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Ray's Pizza submitted an incomplete proposal and did not provide the required documentation and submissions after several requests. FGK provided a complete proposal but was not selected due to a lower overall net rental value.

TSP is majority owned by The Redner Group ("Redner") who possesses the creditworthiness and financial strength necessary to independently fund the required improvements, which are estimated to cost \$1,000,000. In addition to its existing financial resources, TSP has secured a revolving working capital loan of \$1,000,000. The principals of Redner/TSP have also committed to guaranteeing the performance and payment obligations of the tenant under the lease, which will be backed by either a letter of credit or a security deposit.

TSP principals have collectively over 75 years' experience in the alcohol beverage industry and more than 50 years in the restaurant sector. TSP was granted a lease by the Hillsborough County Aviation Authority at Tampa International Airport for food and beverage use. The group's assets include approximately 20,000 square foot production facilities in Largo, Florida, and Carlstadt, New Jersey. Operations span across several states, including California, Connecticut, Florida, Georgia, New Jersey, New York, North Carolina, and Tennessee.

The business plan outlines "The Saw Pit Station House" as a quick service beverage and food hall designed to be a central hub for the community, catering to commuters at all times of the day. The concept is to create a unique brand that resonates with the location's heritage as a train station, preserving and accentuating historical features like the ticket booth and communal seating, while also incorporating modern elements such as displaying train schedules on TV screens.

The beverage selection will include a range of TSP branded craft beers, liquors, meads, wines, and other drinks along with seasonal and rotational offerings to encourage repeat visits. The food hall will feature a diverse menu developed by experienced chefs, with offerings ranging from Nashville Hot Chicken and vegan cuisine to artisanal pizza and pit smoked BBQ. Breakfast will include fast, pre-wrapped items and made-to-order dishes, while lunch and dinner will offer full menus, with a focus on convenience for evening commuters.

Redner/TSP proposed refurbishment project aims to allocate up to \$1,000,000 towards enhancing the Station Building's facilities, equipment, and aesthetic appeal. Key improvements include restoring original architectural features, replacing broken equipment, and integrating sustainable design elements where feasible. These efforts will ensure that the Station Building maintains its historical character while meeting contemporary operational needs.

On May 12, 2024, MTA Real Estate obtained an appraisal from Goodman-Marks regarding the market rental value of the Station Building, which was determined to be \$282,000 annually. However, during an open market Request for Proposals, all three bidders proposed an annual rent of \$120,000, which constitutes concrete evidence of fair market value. Although TSP is not the highest bidder, it is the highest complete bidder and was deemed the best overall proposal, taking into account the concept, experience, and financial capability of the bidder.

Credit and background investigations performed on TSP discovered no evidence of criminal conviction history, or other disagreement or reputation issues connected with the aforementioned company. TSP has good credit and sufficient financial resources to successfully complete the required improvements and compensation obligations.

Based on the foregoing, it is recommended to proceed with the award of a lease agreement to The Saw Pit at Port Chester Station LLC. for the operation of their "Saw Pit Station House" at the Port Chester Station Building.