

DECEMBER 2025
MTA REAL ESTATE
MTA C&D TRANSIT ORIENTED DEVELOPMENT
FINANCE COMMITTEE AGENDA ITEMS

1. TRANSACTIONAL ACTION ITEMS

Metropolitan Transportation Authority

- a. Acquisition of a permanent easement and construction license from RLF Bassett II LLC in support of the Penn Station Access Project, Bronx NY

MTA Metro-North Railroad

- b. Lease with Azor Bake Shop Inc dba Zaro's Family Bakery for retail space in Grand Central Terminal
- c. Lease with Bien Cuit LLC for retail space in Grand Central Terminal

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&T</u>
<u>MTA Construction and Development Company</u>	<u>MTA Construction and Development</u>	<u>MTA C&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

Subject ACQUISITION OF PERMANENT EASEMENT AND CONSTRUCTION LICENSE FROM RLF BASSETT II LLC IN THE BRONX, NEW YORK IN SUPPORT OF THE PENN ACCESS PROJECT
Department TRANSIT ORIENTED DEVELOPMENT
Department Head Name MIRIAM G. HARRIS
Department Head Signature
Project Manager Name NICHOLAS ROBERTS

Date DECEMBER 17, 2025
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	Finance Committee	12/15/25	X		
2	Board	12/17/25	X		

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

AGENCY: Metropolitan Transportation Authority ("MTA") and MTA Construction & Development Company ("C&D")

GRANTOR: RLF II BASSETT LLC (the "Grantor")

LOCATION: 1502 Bassett Avenue, Bronx, New York (the "Property")

ACTIVITY: Acquisition of a permanent easement and construction license for a pedestrian overpass at the south entrance of Metro-North Railroad's new Morris Park Station as part of the Penn Access Project (the "Property Interest")

ACTION REQUIRED: Authorization to acquire the Property Interest, construct a new entrance to the Grantor's Property, and enter into the Pedestrian Overpass Agreements (as defined below)

EASEMENT AREA: 2,203 square feet

LICENSED AREA: Private Bassett Avenue between Eastchester Road and Metro Atrium Drive

COMPENSATION: \$1,000,000.00, plus construction of a new entrance to the Grantor's Property.

COMMENTS:

Penn Station Access ("PSA") is a new Metro-North Railroad ("MNR") link to Penn Station that will provide one-seat passenger rail service to Penn Station for MNR's New Haven Line customers. In October 2021, the MTA Board authorized MTA Real Estate to proceed with property acquisitions in support of PSA by negotiated agreement or condemnation, with the terms of any negotiated agreement subject to further MTA Board approval.

The Property is in the Morris Park section of the Bronx and is improved with a 367,000 square foot last-mile distribution facility that is leased by the Grantor to Amazon. The Property is further improved by a private road known as Bassett Avenue ("Bassett Avenue") that is adjacent to Amtrak's right of way for the Hell Gate Line (the "Hell Gate ROW") which will serve as the trackage for the PSA project. Bassett Avenue is the sole means of ingress and egress to the Property. The platform for the future Morris Park Station (the "Station Platform") will be sited within the Hell Gate ROW while its south entrance (the "South Station Entrance") will be sited on separate privately owned property adjacent to Bassett

FINANCE COMMITTEE MEETING

ACQUISITION OF PERMANENT EASEMENT AND CONSTRUCTION LICENSE FROM RLF BASSETT II LLC IN THE BRONX, NEW YORK IN SUPPORT OF THE PENN ACCESS PROJECT (Cont'd.)

Page 2 of 2

Avenue. A pedestrian overpass (the "Pedestrian Overpass") will be constructed to connect the Station Platform with the South Station Entrance. The only viable location for the Pedestrian Overpass is above Bassett Avenue.

To construct the Pedestrian Overpass and to allow for its eventual use by MNR customers, MTA will be required to enter into a permanent easement agreement and a construction license with the Grantor (collectively, the "Pedestrian Overpass Agreements"). The Grantor has conditioned its willingness to enter into the Pedestrian Overpass Agreements on receipt of a one-time, lump sum payment of \$1M from the MTA and the MTA's willingness to construct at its own expense a new entrance to the Property from an adjacent public street (the "New Property Entrance").

MTA Transit Oriented Development ("TOD") has concluded, based on the recommendation of legal counsel and an independent appraisal of the Property Interest, that the payment of the \$1M and the cost of constructing the New Property Entrance, estimated at \$310,943, is materially less expensive than condemning the Property Interest and avoids the litigation risk and associated costs associated that may otherwise be incurred by the MTA. Further, the Pedestrian Overpass is critical to the design and use of the future Station; it is not feasible to construct the Station without it.

Based on the foregoing, TOD requests authorization for the MTA to acquire the Property Interest from the Grantor on the above-described terms and conditions, including payment of the \$1M compensation to the Grantor and the construction of the New Property Entrance at the MTA's expense.

MTA METRO-NORTH RAILROAD

Staff Summary

Subject LEASE WITH AZOR BAKE SHOP INC. DBA ZARO'S FAMILY BAKERY FOR RETAIL SPACE AT GRAND CENTRAL TERMINAL
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name KIM TREVISAN

Date DECEMBER 17, 2025
Vendor Name
Contract Number
Contract Manager Name
Table of Contents Ref. #

Board Action					
Order	To	Date	Approval	Info	Other
1	MNR Committee	12/15/25		X	
2	Finance Committee	12/15/25	X		
3	Board	12/17/25	X		

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

AGENCY: Metropolitan Transportation Agency ("MTA") and MTA Metro-North Railroad ("MNR")
 LESSEE: Azor Bake Shop Inc dba Zaro's Family Bakery ("Zaro's")
 LOCATION: Grand Central Terminal ("GCT") Main Concourse
 PREMISES: MC-31: Approximately 480 sq. ft.
 USE: Retail sale of baked goods
 ACTION REQUESTED: Authorization to enter into a lease agreement
 TERM: 10 years
 CAM: \$11,040 per annum with 3% annual escalations
 LESSEE WORK: Complete renovation including replacing existing storefront, new showcases, track lighting, and signage

BASE RENT:	<u>Guaranteed Annual Minimum Rent</u>		<u>Percentage Rent</u>
	<u>Year</u>	<u>Rent</u>	
	1	\$360,000.00	8% of gross sales over breakpoint of \$3,200,000
	2	\$365,400.00	8% of gross sales over breakpoint of \$3,248,000
	3	\$376,362.00	8% of gross sales over breakpoint of \$3,296,720
	4	\$387,652.86	8% of gross sales over breakpoint of \$3,351,116
	5	\$399,282.45	8% of gross sales over breakpoint of \$3,409,760
	6	\$411,260.92	8% of gross sales over breakpoint of \$3,472,760
	7	\$423,598.75	8% of gross sales over breakpoint of \$3,540,561
	8	\$436,306.71	8% of gross sales over breakpoint of \$3,611,372
	9	\$449,395.91	8% of gross sales over breakpoint of \$3,689,017
	10	\$462,877.79	8% of gross sales over breakpoint of \$3,781,242

Staff Summary

FINANCE COMMITTEE MEETING

LEASE AGREEMENT WITH AZOR BAKE SHOP INC. DBA ZARO'S FAMILY BAKERY AT GRAND CENTRAL TERMINAL (Cont'd)

Page 1 of 2

COMMENTS:

A publicly offered Request for Proposals ("RFP") was issued on April 15, 2025, seeking a single-use retail operator for space MC-31 located on the Main Concourse of Grand Central Terminal.

Two (2) proposals were received on May 28, 2025, and are summarized below:

Proposer	Term	Use	Yr 1 MAG / % Rent	% Rent	NPV (MAG & % Rent)
Zaro's	10 years	Bakery	\$360,000 with 3% annual escalations	8% over \$3,200,000 escalating 3% annually	\$2,980,548.75
Eli Zabar	10 years	Bakery	\$250,000 with 3% annual escalations	12% over \$2,500,000 escalating 3% annually	\$2,370,712.40

After reviewing and evaluating all proposals, MTA Real Estate determined that Zaro's proposal was the highest and best use offer. Zaro's has been operating in space MC-31 since 2012 and is currently operating month-to-month as their license agreement expired on May 31, 2025.

The owner/operators of Zaro's are fourth generation operators and are in good standing for over 45 years, operating spaces on the Main Concourse and the Dining Concourse.

Zaro's will be investing \$234,000 to renovate the entire Premises, including replacement of all interior finishes, installing new, first-class quality trade fixtures, equipment, lighting throughout, and replacing the current storefront.

Based on the foregoing, MTA Real Estate requests authorization to enter a lease on behalf of MTA and MNR with Azor Bake Shop Inc dba Zaro's Family Bakery under the above-described terms and conditions.

Staff Summary

Subject LEASE WITH BIEN CUIT LLC FOR RETAIL SPACE AT GRAND CENTRAL TERMINAL
Department REAL ESTATE
Department Head Name DAVID FLORIO
Department Head Signature
Project Manager Name KIM TREVISAN

Date DECEMBER 17, 2025
Vendor Name
Contract Number
Contract Manager Name
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AGENCY: Metropolitan Transportation Agency ("MTA") and MTA Metro-North Railroad ("MNR")
 LESSEE: Bien Cuit LLC ("Bien Cuit")
 LOCATION: Grand Central Terminal ("GCT") Market
 PREMISES: MKT-20: Approximately 197 sq. ft.
 USE: Retail sale of baked goods
 ACTION REQUESTED: Authorization to enter into a lease agreement
 TERM: 10 years
 CAM: \$4,531 per annum with 3% annual escalations
 LESSEE WORK: Update display cases and track lighting

BASE RENT:	<u>Guaranteed</u>		<u>Percentage Rent</u>
	<u>Year</u>	<u>Annual Minimum Rent</u>	
	1	\$186,000.00	15% of gross sales over breakpoint of \$1,240,000
	2	\$191,580.00	15% of gross sales over breakpoint of \$1,227,200
	3	\$197,327.40	15% of gross sales over breakpoint of \$1,315,513
	4	\$203,247.22	15% of gross sales over breakpoint of \$1,354,981
	5	\$209,344.64	15% of gross sales over breakpoint of \$1,395,630
	6	\$215,624.98	15% of gross sales over breakpoint of \$1,437,499
	7	\$222,093.73	15% of gross sales over breakpoint of \$1,480,624
	8	\$228,756.54	15% of gross sales over breakpoint of \$1,525,043
	9	\$235,619.24	15% of gross sales over breakpoint of \$1,507,794
	10	\$242,678.81	15% of gross sales over breakpoint of \$1,617,918

Staff Summary

FINANCE COMMITTEE MEETING

LEASE WITH BIEN CUIT LLC FOR RETAIL SPACE AT GRAND CENTRAL TERMINAL (Cont'd.)

Page 2 of 2

COMMENTS:

A publicly offered Request for Proposals ("RFP") was issued on July 21, 2025, seeking a single-use retail operator for space MKT-20 located in Grand Central Terminal's Grand Central Market.

Two (2) proposals were received on August 8, 2025 and are summarized below:

Proposer	Term	Use	Yr 1 MAG / % Rent	% Rent	NPV (MAG & % Rent)
Bien Cuit	10 years	Bakery Goods	\$186,000 with 3% annual escalations	15% over \$1,240,000 escalating 3% annually	\$1,547,297
Whoops	10 years	Retail Sale of Macaroons	\$46,150 with 3% annual escalations	7% over \$667,823 escalating 3% annually	\$388,884.29

After reviewing and evaluation of all proposals, MTA Real Estate determined that Bien Cuit's proposal was the highest and best use offer. Bien Cuit has been operating in MKT-20 since 2016 and is a tenant in good standing operating on a month-to-month basis, as their license agreement expired on August 31, 2025.

Bien Cuit will be investing \$34,500 to refresh their space, including replacement of their pastry cases with first-class quality trade fixtures and upgrading electricity and lighting throughout the Premises.

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