

# Staff Summary

<b>Subject</b> <b>AMENDMENT TO VIADUCT AGREEMENT WITH JPMORGAN CHASE RELATED TO REDEVELOPMENT OF 270 PARK AVENUE</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>ROBERT LAGA</b>

<b>Date</b> <b>MARCH 25, 2026</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	Capital Program Committee	03/23/26	X		
2	Finance Committee	03/23/26		X	
3	Board	03/25/26	X		

Internal Approvals			
Order	Approval	Order	Approval
1	EVP & General Counsel		
2	Chief Development Officer		
3	Chief Financial Officer		

**AGENCIES:** MTA Construction and Development Company (“C&D”), Metropolitan Transportation Authority (“MTA”), and Metro-North Commuter Railroad Company (“MNR”; and together with C&D and MTA, collectively, the “MTA Parties”).

**GRANTEE:** JPMorgan Chase Bank, N.A. (“JPMC”).

**LOCATION:** An approximate 183,500 square foot portion of the Grand Central Terminal Train Shed (the “Train Shed”) underneath Park Avenue and on certain side streets extending easterly and westerly on Park Avenue from East 46<sup>th</sup> Street to East 50<sup>th</sup> Street, New York, NY, further referenced as “Sector 2”.

**ACTIVITY:** JPMC has agreed to expand the scope of its ongoing rehabilitation work on the Train Shed on behalf of the MTA Parties, to now include 46<sup>th</sup> Street between Madison and Park Avenues, Vanderbilt Avenue between 46<sup>th</sup> and 47<sup>th</sup> Streets, Park Avenue between 46<sup>th</sup> and 50<sup>th</sup> Streets (excluding a portion that JPMC already completed), 49<sup>th</sup> Street between Park Avenue and the midway point between Park and Madison Avenues, and certain partial spurs off of Park Avenue on 46<sup>th</sup>, 47<sup>th</sup>, 48<sup>th</sup>, and 49<sup>th</sup> Streets East towards Lexington Avenue (collectively, the “Expanded Scope” or the “Project”).

- ACTION REQUESTED:**
1. Authorization to execute an Early Work Agreement, an amendment to the existing Viaduct Agreement.
  2. Authorization to negotiate and execute a Sector 2 Amendment to the existing Viaduct Agreement.

The Early Work Agreement will be an interim agreement pending negotiation and execution of the Sector 2 Amendment. The Early Work Agreement will obligate JPMC to perform the portion of the Expanded Scope below 48<sup>th</sup> Street and pay for 100% of the cost of such work capped at \$50M, pending execution of the Sector 2 Amendment. The Sector 2 Amendment will grant MTA the right to elect to direct JPMC to perform the balance of the Expanded Scope (north of 48<sup>th</sup> Street), which MTA must elect to do by June 15, 2026, and institute a cost-sharing arrangement, whereby the MTA Parties and JPMC will true-up previously incurred Expanded Scope costs such that each of JPMC and the MTA Parties shall pay for the cost of such work on a 50/50 basis until JPMC has contributed \$50M. The Expanded

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Scope will generally be performed on the same terms and conditions as "Sector 1" which JPMC completed pursuant to a series of agreements from 2019 and 2021.

**COMPENSATION:** The budget for this Work is estimated to be approximately \$900M JPMC will contribute \$50M and perform certain management services on the MTA Parties' behalf without compensation.

**COMMENTS:**

### PURPOSE

Board authorization is sought to modify the existing Viaduct Agreement with JPMC to add the rehabilitation of a portion of the Train Shed defined above as the Expanded Scope.

### BACKGROUND:

The Train Shed constitutes the roof of Grand Central Terminal train platforms and supports Park Avenue between 46<sup>th</sup> and 57<sup>th</sup> Streets and certain side streets radiating therefrom. The Train Shed, in effect, constitutes a bridge supporting the at-grade streets and avenues and is, in turn, supported by steel columns and other structures that were originally constructed in the early 20<sup>th</sup> Century. The structural steel that supports the Train Shed has significantly deteriorated over time and the MTA Parties have embarked on a long-term project to rehabilitate these steel structures to ensure the viability of both the Train Shed and the streets and sidewalks that it supports. Because the private building owners along the streets and avenues supported by the Train Shed will benefit from the rehabilitation project, the MTA Parties have engaged in a series of public-private partnerships with adjacent building owners to jointly manage the Train Shed rehabilitation project, including JPMC.

On March 25, 2019, the Board approved an agreement with JPMC, which was developing its new headquarters building at 270 Park Avenue, New York, NY, located over a portion of the Train Shed, and on July 22, 2019, the Board authorized the MTA Parties to enter into a Construction Agreement (which it did on July 31, 2019) which was later amended through a "Viaduct Construction Agreement", executed on October 20, 2021 (the "Viaduct Agreement"). Pursuant to the Viaduct Construction Agreement, JPMC agreed to repair the portion of the Train Shed surrounding 270 Park Avenue (within the block bound by 47<sup>th</sup> and 48<sup>th</sup> Streets between Park and Madison Avenue and the West Side of Park Avenue between 47<sup>th</sup> and 48<sup>th</sup> Streets ("Sector 1"). JPMC agreed to manage the rehabilitation of Sector 1 and contribute \$25 Million toward the performance of such work. The Viaduct Construction Agreement benefited JPMC by allowing it to coordinate its work on its headquarters with the work on the Train Shed and benefited the MTA Parties by providing partial funding and management of the Sector 1 work. JPMC's Sector 1 work is 95% complete, with a completion date scheduled for December 2026.

Following the opening of JPMC's new world headquarters at 270 Park Avenue, JPMC elected to rehabilitate its adjacent property at 383 Madison Avenue. JPMC has also acquired 250 Park Avenue, which is across Vanderbilt Avenue from 383 Madison Avenue, with the intention of creating a "mini-campus" among the three buildings. Therefore, as with the Sector 1 work, JPMC and the MTA Parties will mutually benefit from the expansion of the work that JPMC is performing to additional sectors of the Train Shed. As a result, JPMC and the MTA Parties entered into a Letter of Intent ("Expansion LOI") dated September 20, 2024, pursuant to which, JPMC agreed to manage an additional portion of the Project (the Expanded Scope) and contribute \$50M towards such work. The Expansion LOI further provides for coordination with the New York City Department of Transportation (the "DOT") in carrying out a project to rehabilitate and reconfigure the Park Avenue Malls, as part of the Project. If the New York City Department of Transportation does not provide final plans for its Park Avenue Malls project by December 31, 2026, the Expanded Work will proceed in a manner that will enable the New York City Department of Transportation to rebuild the affected portion of the Park Avenue Malls once plans are complete.

### SCOPE OF WORK

The MTA Parties seek to enter into two (2) separate agreements. First, an Early Work Agreement (the "EWA"), which will constitute an amendment to the Viaduct Agreement. JPMC will carry out "Phase 1" of the Expanded Scope pursuant to the EWA, which consists of all of the Train Shed work south of 48<sup>th</sup> Street. To implement the EWA, JPMC will amend or issue

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a change order to its construction manager performing the Sector 1 work, which construction manager will then issue a change order to its existing Sector 1 subcontractor to perform the EWA work. The EWA is an interim agreement pending execution of the Sector 2 Amendment, and pending execution of the Sector 2 Amendment, JPMC will pay for 100% of the Phase 1 work, capped at \$50M.

JPMC will manage "Phase 2" of the Expanded Work pursuant to the Sector 2 Amendment, the terms of which will be negotiated before the Phase 2 work commences. Phase 2 covers the portion of the Expanded Scope north of 48<sup>th</sup> Street. When executed, the Sector 2 Amendment will supersede the EWA and implement a cost-sharing arrangement pursuant to which JPMC and the MTA Parties will share the cost of the Expanded Scope on a 50/50 basis, until JPMC contributes \$50M, at which point the MTA Parties will pay for the balance of the work, except for costs incurred due to JPMC violations of a 'due care' standard. In the event that the parties cannot agree on the terms of the Sector 2 Amendment, work on Phase 1 will be completed pursuant to the terms of the EWA.

Under the terms of the Sector 2 Amendment, the MTA Parties and JPMC will agree to reconcile the costs expended by JPMC in performing the Expanded Scope to date (per the EWA), with MTA paying 100% of the future costs until the parties have each contributed costs on a 50/50 basis. After such true-up, the MTA Parties and JPMC will then fund continuing work on an equal basis until JPMC has contributed \$50M, after which the MTA Parties will fund all remaining costs. JPMC will be obligated to cause its construction manager to utilize commercially reasonable efforts to achieve cost savings as a result of the performance of the Expanded Scope.

With the exception of those specific terms addressed in the EWA or the Sector 2 Amendment, the Expanded Work will proceed on the same terms and conditions as set forth in the Viaduct Agreement.

### SPECIAL PROVISIONS RELATED TO MTA AND METRO-NORTH FACILITIES

Pursuant to the terms of the Expansion LOI, all JPMC designs, contractor submittals, means and methods, protection plans, security and safety plans, project schedules, and insurance for Sector 2 work are subject to MTA, C&D and/or MNR review and approval prior to the start of construction. Additionally, JPMC is required to protect MNR facilities in order to maintain and prevent or mitigate interruption of railroad operations. This includes the obligation to repair, replace or otherwise maintain MNR functional elements such as ventilation shafts, the 48th Street emergency egress and drainage fixtures, sidewalk vaults and utility connections to maintain their function throughout JPMC Project construction, including Sector 2.

### CONSTRUCTION SCHEDULE

The Sector 2 work has an anticipated duration of 36 months, with an anticipated completion date of May 30, 2029.

### FUNDING

JPMC will fund \$50 million towards the cost of the Project and the remainder will be funded by the 2025-2029 Capital Program.

### BUDGET

MTA reasonably expects that the total cost for Phase 1 and Phase 2 will be approximately \$900M. JPMC shall cause its construction manager to utilize commercially reasonable efforts to achieve cost savings as a result of the performance of the Expanded Scope.

### RECOMMENDATION:

MTA, C&D and MNR recommend that the Board authorize the execution of the EWA and the Sector 2 Amendment which will obligate JPMC to rehabilitate a large portion of the Grand Central Terminal Train Shed and contribute \$50M towards such costs.