



# GRAND CENTRAL GRAND OPPORTUNITY Request for Proposals



Grand Central Clock logo and associated terms and images © Metropolitan Transportation Authority.





# Metropolitan Transportation Authority

December 13, 2018

**RE: GRAND CENTRAL TERMINAL RETAIL LEASING OPPORTUNITY**

Dear Prospective Tenant:

The Metropolitan Transportation Authority (“MTA”) is seeking a tenant for a retail store MKT-17A, (currently a portion of E.A.T. Gifts) in the Market of Grand Central Terminal. Proposals should reflect appropriate market value given the space’s prominent location and high foot traffic.

**DEADLINE: Proposals must be received by 3:00 p.m. on Thursday, January 17<sup>th</sup>.**

Proposals submitted after such deadline will, at the MTA’s sole discretion, only be considered if the MTA determines that such consideration is in the public interest. Each proposal must include the items listed in the “Submission Requirements” section below. Proposals not including all requested items may be rejected.

**SITE VISIT: An optional site visit will take place on Tuesday, December 18<sup>th</sup> at 11:00am in front of the space.**

Please respond to Mitch Friedel at [mfriedel@ngkf.com](mailto:mfriedel@ngkf.com) or Reed Zukerman at [rzukerman@ngkf.com](mailto:rzukerman@ngkf.com) or Adam Weinblatt at [aweinblatt@ngkf.com](mailto:aweinblatt@ngkf.com) for further details and to confirm your attendance.

Included in this RFP are the following:

- Attachment 1 – Process for Offering Retail Space
- Attachment 2 – Lease Outline Drawing
- Attachment 3 – Description of Available Utilities
- Attachment 4 – Term Sheet
- Attachment 5 – Rent Proposal Form
- Attachment 6 – Projected Design/Construction and Sales Plan
- Attachment 7 – Prospective Tenant Information Statement
- Attachment 8 – Guidelines for Selection of Tenants for Grand Central Terminal

**SUBMISSION REQUIREMENTS:** Please provide the following information with your submission:

- Fully completed and **signed Attachment 4** *Term Sheet* (form included).
- Fully completed and **signed Attachment 5** *Rent Proposal* (form included).
- Fully completed **Attachment 6** *Projected Design/Construction & Sales Plan* (form included).
- Fully completed and **signed Attachment 7** *Prospective Tenant Information Statement* (form included).

- Fully completed and **signed** *NYS Finance Law Sections 139-j and 139-k Certification (included in Attachment 7)*.
- Fully completed and **signed** *Iran Divestment Act Certification (included in Attachment 7)*.
- Comprehensive description of proposed concept and use, including price range of merchandise.
- Scope of work planned to improve the premises, including general layout, description of floor and window display fixtures, and description of any mechanical improvements planned to accommodate the proposed use.
- Company brochure, annual report, photographs of existing retail locations, or similar material, as appropriate and available.

Later in the disposition process, MTA may request that any prospective tenant provide clear and legible hard-lined schematic fixture and merchandise plans. If so requested:

- The *Fixture Plan* should show the set-up of each zone: storefront/display zone, sales floor and sales fixtures, cash wrap casework and storage units with a notation of dimensions, etc.
- The *Merchandise Plan* should clearly note the locations of products to be sold at retail from display fixtures.

During the disposition process, MTA may require that proposers of food related concepts and use provide a sampling of their menu item(s) for consideration at proposer's expense.

Three hard copies of submissions should be delivered in sealed envelopes by the date listed above to:

**Nicole Filder**  
**MTA Real Estate / GCT Development**  
**420 Lexington Avenue, Suite 930**  
**New York, NY 10170**

All responsive proposals will be publicly disclosed in the meeting agenda of the Finance Committee of the MTA Board at which the transaction is considered for approval. Or, if three responsive proposals are received, and the lease is to be awarded to the proposer who offers the highest guaranteed rent, MTA Real Estate may instead list the lease in chart form in the Finance Committee meeting agenda (listing all proposers and their offers) after the lease is executed.

Please review the Contacts section of Attachment 1 (Process for Offering Space) for direction regarding permissible contacts with the MTA during the public disposition process. During this process, contact with the MTA should only be made through the following designated points of contact:

- Nicole Filder ([nfilder@mtahq.org](mailto:nfilder@mtahq.org)) for general inquiries
- Mitch Friedel or Reed Zukerman or Adam Weinblatt for specific questions regarding the space or proposal requirements ([mfriedel@ngkf.com](mailto:mfriedel@ngkf.com) or [rzukerman@ngkf.com](mailto:rzukerman@ngkf.com) or [aweinblatt@ngkf.com](mailto:aweinblatt@ngkf.com) )

We look forward to receiving your proposal.

Sincerely,

Nicole M. Filder  
Sr. Executive Secretary  
Metropolitan Transportation Authority

Mitch Friedel  
Executive Vice President  
Newmark Grubb Knight Frank

## **ATTACHMENT 1**

### **PROCESS FOR OFFERING RETAIL SPACE**

#### **Introduction to Grand Central Terminal**

The MTA Real Estate Department manages the leasing of the retail properties at Grand Central Terminal (the "Terminal") on behalf of MTA Metro-North Railroad.

The Terminal, located in the center of Manhattan, is a National Historic Landmark and a focal point of New York City. The Terminal has received national attention and acclaim since the completion of its historic restoration and redevelopment in 1998. It is bordered on the south by 42<sup>nd</sup> Street, on the north by the Met Life Building, on the west by Vanderbilt Avenue and on the east by Lexington Avenue. It is a major regional transportation hub for hundreds of thousands of daily commuters and New York City residents who ride Metro-North and connecting subway lines. Metro-North provides service between New York City and its northern suburbs in New York and Connecticut. The Terminal sits atop the busiest stop in the New York City subway system. The Lexington Avenue line covers the east side of Manhattan, and the 42<sup>nd</sup> Street Shuttle to Times Square provides a convenient connection to the Theater District and to the subways traversing the west side of Manhattan that provide access to the MTA Long Island Rail Road commuter rail system and Amtrak trains. Across the street from the Terminal, on Park Avenue near 42<sup>nd</sup> Street, is an airport bus connection that provides links to LaGuardia, JFK and Newark Airports.

The Terminal's retail space contains approximately 153,000 square feet and accommodates approximately 100 individual retailers. Such space includes 42<sup>nd</sup> Street storefronts and interior balconies at street level, the Grand Central Market and Lexington, Graybar, and Shuttle Passageways on the Main Concourse level, and the Dining Concourse on the Terminal's lower level. The overall quality of the retail at the Terminal is exceptional, and we seek to maintain an appealing mix of local retailers and nationally known brands.

#### **Process for Offering Spaces for Lease in Grand Central Terminal**

Spaces available for lease at the Terminal are offered to prospective tenants through a public solicitation process that is described in the MTA's "Guidelines for Selection of Tenants for Grand Central Terminal," a copy of which is attached hereto as Attachment 8 (the "Guidelines")<sup>1</sup>. As set forth in the Guidelines, the MTA seeks to maximize the long-term aggregate revenues that the MTA derives from the leasing of the commercial space at the Terminal (taken as a whole), while making available to commuters and others an appropriate mix of goods and services and maintaining a level of quality commensurate with the Terminal's status as a National Historic Landmark and one of New York City's greatest public spaces.

Proposals received in response to this RFP will be reviewed and evaluated as set forth in the Guidelines. In summary, the first step will be the preparation of technical evaluations of each such proposal, which will include, among other things, information relating to the responsiveness of the proposal, the prospective tenant, and the rent proposed. The Director of GCT Development will

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<sup>1</sup> The Guidelines are intended only for the guidance of officers and employees of the MTA. Nothing contained in the Guidelines is intended, or shall be construed, to confer upon any person or entity any right, remedy, claim or benefit under, or by reason of, any requirement or provision of the Guidelines. The Guidelines themselves may be revised from time to time by the MTA Board and also are subject to other policies adopted by the MTA Board.

then, in accordance with the Guidelines, determine whether any proposal should be eliminated from consideration because it is non-responsive or the prospective tenant is not responsible.<sup>2</sup>

Next, the Director of GCT Development will score all responsive proposals received from responsible prospective tenants based on the selection criteria that are set forth in the Guidelines (the "Selection Criteria"). The first Selection Criterion, which accounts for 70 percent of the total score, is the anticipated direct economic benefit of a proposal to the MTA. The second Selection Criterion, which accounts for the remaining 30 percent of the total score, is the evaluator's determination of the likelihood that a prospective tenant will attract other desirable retailers to the Terminal and/or customers for other current or prospective businesses at the Terminal.

In assessing direct economic benefit, the evaluator will take into account both proposed guaranteed rent and projected percentage rent. First, the present value of the guaranteed rent (the "Unadjusted Guaranteed Rent Amount") will be calculated, subject to reduction by up to 50 percent based on (i) the evaluator's assessment of the viability of the prospective tenant's business plan, (ii) the evaluator's assessment of the creditworthiness of the prospective tenant (and any proposed guarantor) and (iii) any security deposits and/or letters of credit that will be required. Second, the present value of 50 percent of the projected percentage rent will be calculated (the initial 50 percent reduction being due to the fact that percentage rent is not certain or assured), subject to further reduction to reflect the evaluator's assessment of the likelihood of projected sales being achieved. The sum of such two amounts will be deemed to constitute the direct economic value of a proposal.

If the responsive and responsible proposal with the highest total score (on the basis of both of the Selection Criteria) as determined by the Director of GCT Development is also the one with the highest Unadjusted Guaranteed Rent Amount, then, with the concurrence of the Director of Real Estate, such proposal may be submitted to the MTA Board for approval without convening a Selection Committee. Or, as provided for under a policy duly adopted by the MTA Board in November 2013, in lieu of preparing a staff summary requiring Finance Committee and Board approval, the lease transaction may be listed in chart form in the Finance Committee book (listing all bidders and their bids) after the lease has been executed. However, if the proposal with the highest Total Selection Criteria Score is not the proposal with the highest Unadjusted Guaranteed Rent Amount or if two proposals provide for the same highest Unadjusted Guaranteed Rent Amount, then the Director of GCT Development must convene a selection committee (the "Selection Committee") consisting of the Director of GCT Development, the Director of Real Estate Operations or his or her designee and the Director of Business Development or his or her designee.

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<sup>2</sup> Among other grounds for disqualification that are set forth in the Guidelines, please note that a prospective tenant will be deemed "not responsible" (and thus disqualified and eliminated from consideration) if (a) such prospective tenant, or any Affiliate of such prospective tenant, owes, by reason of an amount due not more than five years prior to the date of the RFP, in excess of \$10,000 to the MTA, (b) such amount is not (in the view of the MTA Legal Department) the subject of a bona fide dispute and (c) such amount has remained unpaid for more than 90 days; provided, however, that before disqualifying any prospective tenant by reason of any such non-payment, the Director of GCT Development must provide written notice of such non-payment to such prospective tenant and afford such prospective tenant a period of not less than 30 days to pay the unpaid amount. "Affiliate" of a prospective tenant means any entity that (i) controls or owns more than a 30% equity interest in such prospective tenant or (ii) is controlled by, or more than a 30 percent equity interest in which is owned by or for the benefit of, either (1) such prospective tenant or (2) any person (or any member of the immediate family (i.e., spouse, father, mother, brother, sister, children, and stepchildren) of any person) or entity that controls, or owns more than a 30 percent equity interest in, such prospective tenant.



## **MTA's Right to Modify or Terminate RFP Process**

Notwithstanding any other provision of this RFP and without any liability to any prospective tenant, MTA reserves the unilateral right to postpone submission deadlines, reject any and all proposals, negotiate with one or more prospective tenants, seek additional input, including best-and-final offers, from one or more prospective tenants (but not necessarily all prospective tenants), waive any requirement of this RFP, and modify or withdraw this RFP in respect of any or all spaces specified herein.

Term sheet: Included in this RFP is a Term Sheet. Please review it carefully and note that it includes a description of the uses that will be permitted in the Premises. Please note that such uses may be categorized as mandatory, preferred, disfavored or prohibited. Proposals will be deemed to be non-responsive, and will therefore be disqualified, if they do not envision mandatory uses or if they envision prohibited uses. Proposals that envision disfavored uses, or do not envision preferred uses, will not be disqualified, but will likely obtain relatively low scores with respect to the second of the two Selection Criteria that are described above.

Lease form and conditions: The standard form of Terminal lease will be used to document transactions arising out of this RFP with such changes as are appropriate to reflect the agreed-upon terms. **During this RFP process the standard form of lease may be subject to change at the discretion of the MTA. The current form is available at: <http://web.mta.info/mta/realestate/forms.html>.**

As is: The Premises will be delivered "as is" and the MTA and MTA Metro-North Railroad make no representations as to the condition. Each prospective tenant will be responsible for making its own analysis and decisions regarding such condition. MTA and MTA Metro-North Railroad will not reimburse prospective tenants for any surveys or site investigations.

Rentable Square Footage: Rentable Square Footage is measured in accordance with the Real Estate Board of New York Standard for Stores. Square footage measurements included in this RFP are approximate.

Design Requirements: The tenant will be required to comply with the design criteria that are generally applicable to leased space at the Terminal. During this RFP process the design criteria may be subject to change at the discretion of MTA. The current design criteria is available at: <http://www.grandcentralterminal.com/realestate-leasing/#architectural>

Build-out/Renovation: The tenant will be required to perform at its sole cost and expense a complete build-out/renovation of the Premises in accordance with such design guidelines and subject to review by MTA and MTA Metro-North Railroad

Brokerage Commissions: MTA shall pay all fees due to its Leasing Agent, NGKF. Any payment to an outside broker should be covered by the proposer and taken into account to the extent the proposer sees fit in its proposal.

Non-Discrimination: The MTA will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, sexual orientation, handicap or marital status in accepting, reviewing and evaluating proposals.

Eligibility: Employees of the MTA, and its affiliates and subsidiaries, are ineligible under this RFP. Any proposal submitted by any such employee will be disqualified.

Protests: All protests or complaints relating to this RFP, including all protests or complaints that are exceptions to the limitation on contacts during a Restricted Period as set forth in the Procurement Lobbying Law (New York State Finance Law § 139-j and 139-k), must be made to the MTA General Counsel, 2 Broadway, New York, New York 10004. Any such protest or complaint shall include: (1) the name and address of the protesting respondent; (2) identification of this RFP and the space or spaces relevant to the protest; and (3) a description of the substantive elements of the protest, including a description of the applicable law or other requirement that is alleged to have been violated, together with all relevant supporting documentation. The MTA General Counsel may, at his/her sole discretion, meet with the protestor to review the issues raised in the protest. After review of a protest submitted under these provisions, the MTA General Counsel will issue a written decision on the basis of the information provided by the protestor, the result of any meetings with the protestor, and the MTA General Counsel's own investigation of the matter. If the protest is upheld, MTA will take appropriate action to correct the RFP process to protect the rights of the protestor. If the protest is denied, MTA will proceed with the disposition.

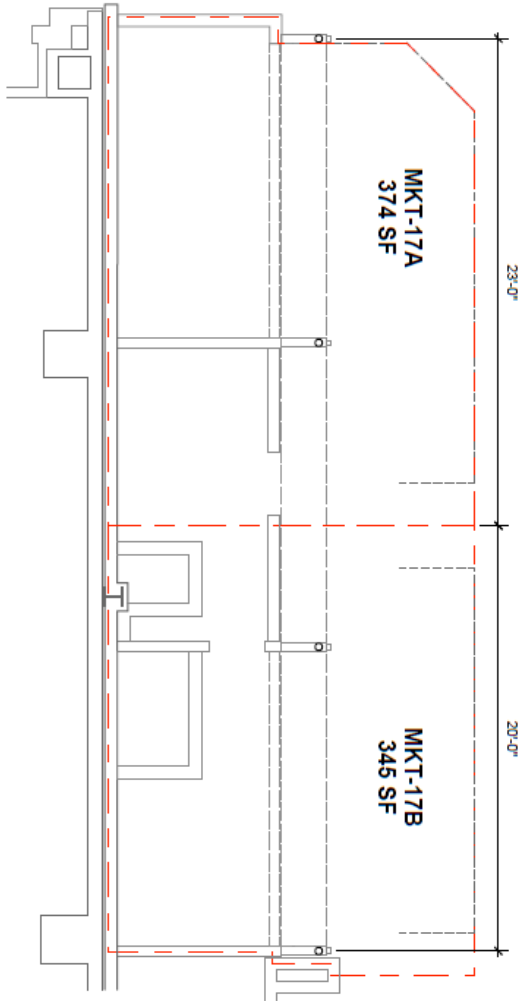
Contacts: The disposition process described in this RFP is subject to New York State's State Finance Law Sections 139-j and 139-k (the "Procurement Lobbying Law"). Pursuant to the Procurement Lobbying Law, all "contacts" (defined as oral, written or electronic communications with the MTA intended to influence this disposition process) during this disposition must be made with one or more designated Point(s) of Contact only. Designated points of contact are identified in the cover letter to this RFP.

**Please do not call or write anyone else at the MTA concerning this RFP. Contact with anyone else at the MTA relating to this RFP may be a violation of law and may result in the disqualification of the proposer. Failure to comply with such requirements can result in disqualification from this and other solicitations involving New York State governmental entities. Exceptions to this rule include communications with regard to protests, RFP site visit participation, and lease negotiations. Nothing in the Procurement Lobbying Law inhibits any rights to make an appeal, protest, or complaint under existing administrative or judicial procedures.**

Violations of the policy regarding permissible contacts must be reported to the appropriate MTA officer and investigated accordingly. The first violation may result in a determination of non-responsibility and ineligibility for award to the violator and its subsidiaries, affiliates and related entities. The penalty for a second violation within four years is ineligibility for bidding/proposing on a procurement and/or ineligibility from being awarded any contract for a period of four years. The MTA will notify the New York State Office of General Services ("OGS") of any determinations of non-responsibility or debarments due to violations of the Procurement Lobbying Law. Violations found to be "knowing and willful" must be reported to the MTA Executive Director and OGS.



# ATTACHMENT 2 LEASE OUTLINE DRAWING




  
**JLL**
  
 Jones Lang LaSalle America, Inc.
   
 Grand Central Terminal
   
 25 Vanderbilt Avenue
   
 14th Fl.
   
 New York, NY 10017

**GRAND CENTRAL TERMINAL**  
**PROPOSED PLAN LAYOUT: MKT-17A,B**

Revision	Date	Drawn By	Scale	Sheet
	25 OCT 2018	DH	AS NOTED	MKT-P

**ATTACHMENT 3**  
**DESCRIPTION OF AVAILABLE UTILITIES**

**Electrical:**

60 amp, 120v, 3 phase

Historically electric charges for this space have been approximately \$633.16 per annum

**Plumbing:**

Natural Gas  
N/A

**Domestic Water:**

$\frac{3}{4}$ " Domestic

**Sanitary Service**

Sanitary 4", Vent 2"

**HVAC:**

Base Building

\* The historical utility charges listed above are for informational purposes only. MTA does not warrant or represent that these will be the charges in the future or for the use contemplated by bidder's proposal.

**ATTACHMENT 4**  
**TERM SHEET**

1. **Premises:** MKT-17B (currently a portion of E.A.T. Gifts)
2. **Size** Approximately 345 square feet
3. **Term:** 7 years from the Rent Commencement Date
4. **Permitted Retail Uses<sup>3</sup>:**

**Mandatory:**

The retail sale of tenant-prepared food and/or tenant-curated culinary accessories that will complement the quality and mix of tenants in Grand Central Market.

**Disfavored:**

A tenant that proposes, concurrently during the term of the subject lease, to sell similar products using the same brand name at both the subject location and another location in the Terminal.

**Prohibited:**

National Brand Chains (a national chain is an enterprise that has more than 20 establishments and has establishments in at least 4 states, including the District of Columbia, each of which use the same brand name and provide the same service and concept menu).

A category of use that is in direct competition with another retailer in Grand Central Market and such competition is determined by MTA to be disadvantageous to the overall retail operations at the Terminal.

- Sandwiches.
- Hot beverages and cold beverages unless pre-approved.
- Candy or chocolate.
- Cooking or warming of products.
- Primary sale of breads and pastries.

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<sup>3</sup> Only proposals for retail uses will be considered. Any proposal that is, in the MTA's view, primarily a branding or advertising use will be disqualified. A *mandatory use* is a use that must be envisioned by a proposal for that proposal to be considered responsive. A *preferred use* is a use that is not mandatory but is considered to be highly appropriate to the space and complementary to the price points and quality of existing businesses at the Terminal. A *disfavored use* is considered to be undesirable. A *prohibited use* is a use that will not be permitted. The foregoing use restrictions are subject to and

- 5. Minimum and Percentage Rent:** To be proposed by proposers using the attached form. MTA strongly encourages proposers to provide for escalations to the proposed guaranteed annual minimum rent throughout the lease term.
- 6. Additional Rent:**
- Advertising and Promotion Contribution:  
\$12.00 per square foot per year, increasing annually by three percent
- Trash Removal Charge:  
Estimated at \$14.72 per square foot per year, increasing annually by three percent
- Utilities –electric, chilled water and domestic water usage are submetered
- Gas – charge will be determined by survey
- Other Additional Rent amounts as per lease form available at  
<http://web.mta.info/mta/realestate/forms.html>
- 7. Prepaid Rent:** One month's Minimum Rent.
- 8. Security and Guaranty:** Cash deposit or Letter of Credit equal to three months Minimum Rent.
- In addition, unless the Tenant has and continues to maintain during the Term a net worth that is suitably substantial under the circumstances, a guaranty from a creditworthy principal of Tenant will be required. The form is available at  
<http://web.mta.info/mta/realestate/forms.html>
- 9. Condition of Premises:** Premises will be delivered "as is."
- Tenant to pay Landlord \$7,500 for review of Tenant plans for Tenant's initial improvements.
- Building permit for Tenant's initial improvements will be issued by Metro-North (without imposition of additional fee).

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without limitation of the architectural design criteria and the rules and regulations that are referenced in the aforementioned form of lease.

**10. Storage Space:** A limited amount of storage space is available. All storage space is licensed on a revocable basis providing Landlord the right of substitution. Please note below how much storage space square footage is desired.

\_\_\_\_\_ square feet for storage

**11. Storage Space Rent:** \$87.00 per square foot per year increasing annually by approximately 3%.

**12. Minimum Hours of Operation:**

Monday – Friday:	7:00 AM to 9:00 PM
Saturday:	10:00 AM to 7:00 PM
Sunday:	11:00 AM to 6:00 PM

**13. Radius Restriction:** The area bounded by Third Avenue to the east (including the east side of Third Avenue), Madison Avenue to the west (including the west side of Madison Avenue), 46th Street to the north (including the north side of 46th Street), and 40th Street to the south (including the south side of 40th Street)

**14. Commencement Date:** Date possession of the Premises is delivered to Tenant.

**15. Required Opening Date:** Not later than 60 days after the Commencement Date

**16. Rent Commencement Date:** The earlier of (i) 60 days following the Commencement Date and (ii) the date Tenant opens for business to the general public.

**17. Broker:** Any tenant broker to be paid by tenant.

This Term Sheet must be signed by an officer of the prospective tenant:

Prospective Tenant: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT 5**  
**RENT PROPOSAL FORM**

<b>Premises</b>	MKT -17B (currently portion of E.A.T Gifts )		
<b>Rent</b>	<b>Year</b>	<b>Guaranteed Annual Minimum Rent</b>	<b>Percentage Rent</b>
	1	\$ _____	Plus ___% of gross sales over breakpoint of \$ _____
	2	\$ _____ which escalates by ___% over the prior year	Plus ___% of gross sales over breakpoint of \$ _____
	3	\$ _____ which escalates by ___% over the prior year	Plus ___% of gross sales over breakpoint of \$ _____
	4	\$ _____ which escalates by ___% over the prior year	Plus ___% of gross sales over breakpoint of \$ _____
	5	\$ _____ which escalates by ___% over the prior year	Plus ___% of gross sales over breakpoint of \$ _____
	6	\$ _____ which escalates by ___% over the prior year	Plus ___% of gross sales over breakpoint of \$ _____
	7	\$ _____ which escalates by ___% over the prior year	Plus ___% of gross sales over breakpoint of \$ _____

By way of example, the estimated Minimum and Additional Rent charges for year 1 would be as follows:

Trash Removal (\$ 14.72 x 345 sf)	\$5,078.40
Advertising and Promotion (\$12.00 x 345 sf)	\$4,140.00
Guaranteed Annual Minimum Rent:	\$_____ (to be filled in by proposer)
<hr/>	
<b>TOTAL</b>	<b>\$_____ (to be filled in by proposer)</b>

**This Rent Proposal Form must be signed by an officer of the prospective tenant:**

Prospective Tenant: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**ATTACHMENT 6**  
**PROJECTED DESIGN/CONSTRUCTION AND SALES PLAN**

**I. PROJECTED DESIGN/CONSTRUCTION COSTS**

Design/Construction	\$ _____
Fixtures	\$ _____
<b>TOTAL</b>	<b>\$ _____</b>

**II. PROJECTED SALES OVER LEASE TERM**

<u>Year One</u>	\$ _____
<u>Year Two</u>	\$ _____
<u>Year Three</u>	\$ _____
<u>Year Four</u>	\$ _____
<u>Year Five</u>	\$ _____
<u>Year Six</u>	\$ _____
<u>Year Seven</u>	\$ _____

**ATTACHMENT 7**  
**PROSPECTIVE TENANT INFORMATION STATEMENT**

The following information is provided to the Metropolitan Transportation Authority ("MTA") Real Estate Department in connection with the submittal of a proposal for a lease at Grand Central Terminal. The acceptance by MTA of this Prospective Tenant Information Statement does not constitute an offer of the MTA or any affiliate or subsidiary thereof. Please attach additional sheets as necessary. **Please print or type.**

**BUSINESS INFORMATION**

Name of Prospective Tenant: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Email: \_\_\_\_\_

Name of President or most senior executive: \_\_\_\_\_

Name of Chief Financial Officer or Treasurer: \_\_\_\_\_

Type of business:

- Corporation
- Joint Venture
- Partnership
- Limited Liability Corporation
- Sole Proprietor

Federal Tax ID #: \_\_\_\_\_ State of Organization: \_\_\_\_\_

Provide an organization chart indicating ownership structure and ownership interests.

**INFORMATION RELATING TO AFFILIATES**

List all individuals and/or entities that directly or indirectly own 30% or more of the equity of, or otherwise control, the prospective tenant ("Principals"):

Name: \_\_\_\_\_ % of Ownership: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_

Name: \_\_\_\_\_ % of Ownership: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_

If Applicable, list Principal(s) who will provide guaranty described in Term Sheet

Name: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_

Have any of the Principals done business under any other name within the past three years?

- Yes
- No

If yes, describe such business and provide the following information:

Name of Business: \_\_\_\_\_

Primary Contact Name: \_\_\_\_\_

Tax ID#: \_\_\_\_\_ Telephone #: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Does any Principal own more than 30 percent of the equity of, or otherwise control, any other or business entity?

- Yes
- No

If yes, identify and provide the following information for each such entity:

Name of Business: \_\_\_\_\_

Primary Contact Name: \_\_\_\_\_

Tax ID#: \_\_\_\_\_ Telephone #: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

**OTHER LEASES OR LICENSES WITH MTA AND ITS SUBSIDIARIES AND AFFILIATES**

List all leases or licenses in force during the last five years between the MTA (and its subsidiaries and affiliates) and the prospective tenant or any Affiliate of the prospective tenant.\*

Name of Lessee or Licensee: \_\_\_\_\_

Location: \_\_\_\_\_

MTA Agency: \_\_\_\_\_

Name of Lessee or Licensee: \_\_\_\_\_

Location: \_\_\_\_\_

MTA Agency: \_\_\_\_\_

Name of Lessee or Licensee: \_\_\_\_\_

Location: \_\_\_\_\_

MTA Agency: \_\_\_\_\_

Describe any lessee or licensee defaults under such leases or licenses:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**BUSINESS REFERENCES**

Provide at least three references for companies with which the prospective tenant or one or more of its Principals does business, including at least one vendor:

Company Name: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Primary Contact and Title: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Company Name: \_\_\_\_\_

\_\_\_\_\_  
\* For definition of Affiliate, see page 33 of RFP.

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Primary Contact and Title: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Company Name: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Primary Contact and Title: \_\_\_\_\_

Telephone #: \_\_\_\_\_

**BANK REFERENCES**

Provide at least one reference for a bank with which the prospective tenant (or a Principal) has an account and regularly does business:

Name of Bank: \_\_\_\_\_ Branch # or Location: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Name of Bank Officer: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Name on Account: \_\_\_\_\_

Account #: \_\_\_\_\_

If different, provide at least one such bank reference for each guarantor identified above:

Name of Bank: \_\_\_\_\_ Branch # or Location: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Name of Bank Officer: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Name on Account: \_\_\_\_\_

Account #: \_\_\_\_\_

**AVAILABLE FINANCING**

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Describe each source of financing for the proposed business at Grand Central Terminal:

Name of Source: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Available Dollar Amount \$ \_\_\_\_\_

Name of Source: \_\_\_\_\_

Street: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Available Dollar Amount \$ \_\_\_\_\_

**FINANCIAL STATEMENTS**

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Provide financial statements (audited, if available) for prospective tenant and each guarantor for the past two full fiscal years. If audited financials are not available then provide two years federal income tax returns for prospective tenant and each guarantor.

If financial statements are not otherwise available, please provide the information below. If the prospective tenant is in the process of being organized and does not yet have assets or liabilities, complete this financial statement on the basis of personal assets and liabilities of the Principal(s) who will provide a guaranty as required by the Term Sheet. Clearly indicate all sources of capitalization.

## ASSETS

### Funds

1 – Cash	\$	
2 – Checking	\$	
3 – Savings	\$	
4 – Other	\$	
5 – Subtotal – Funds	\$	(add lines 1 to 4)

### Receivables

6 – Trade or Business	\$	
7 – Other	\$	
8 – Subtotal – Receivables	\$	(add lines 6 to 7)

### Securities

9 – Stocks	\$	
10 – Bonds	\$	
11 – Other (Pens., Annu.)	\$	
12 – Subtotal – Securities	\$	(add lines 9 to 11)

### Fixed Assets

13 – Equipment	\$	
14 – Other	\$	
15 – Subtotal– Fixed Assets	\$	(add lines 13 to 14)

### Other Assets

16 – Trade, Auto	\$	
17 – Life Insurance	\$	
18 – Subtotal – Other Assets	\$	(add lines 16 to 17)
19 – Inventory	\$	
20 – Miscellaneous	\$	
21 – Land and Buildings	\$	
22 – GR. TOTAL ASSETS	\$	(add lines 5, 8,12, 15, and 18-21)

## LIABILITIES

23 – Trade Payables	\$	
24 – Unsec. Notes Payable	\$	
25 – Secured Notes Payable	\$	
26 – Deferred	\$	
27 – Miscellaneous	\$	
28 – GR. TOT. LIABILITIES	\$	(add lines 23-27)
29 – CAPITAL/NET WORTH	\$	(line 22 less line 28)



**RESPONSIBILITY-RELATED QUESTIONS**

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Answer all of the following:

Has the prospective tenant or any Affiliate thereof ever been barred from bidding on contracts, or declared not responsible, by any city, town, village, county, state, or federal public entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are any outstanding liens pending against the prospective tenant or any Affiliate thereof?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are any judgments outstanding against the prospective tenant or any Affiliate thereof?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is any suit or other legal action pending against the prospective tenant or any Affiliate thereof?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the prospective tenant or any Affiliate thereof ever been adjudged bankrupt, voluntarily or involuntarily, under any provision of the Bankruptcy Law, executed an assignment for the benefit of creditors, or abandoned a business without satisfying its outstanding debts?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Has the prospective tenant or any Affiliate thereof ever been convicted of a felony?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is any elected representative or other officer or employee of, or any person whose salary is payable in whole or in part from, the federal government or the State or City of New York, or any member, officer or employee of the Metropolitan Transportation Authority or any affiliate or subsidiary thereof, directly or indirectly interested in this proposal or in the proposed lease to which it relates?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If Yes to any of the above, please provide details below:

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**CONSENT TO CREDIT REVIEW**

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By executing this Prospective Tenant Information Statement, the undersigned authorizes the Metropolitan Transportation Authority or its designated agent or contractor to conduct a credit and reference investigation of the prospective tenant and its Affiliates. This authorization includes, without limitation, authorization to obtain verbal and written information from banks, other commercial and financial institutions, credit reporting agencies and present and former customers, including without limitation the entities described in this Prospective Tenant Information Statement.

## **NO COLLUSION STATEMENT**

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By executing this Prospective Tenant Information Statement, the undersigned represents and warrants that:

- (i) The compensation and other terms of this proposal have been arrived at independently without any agreement, collusion, consultation, or communications intended to restrict competition;
- (ii) Unless otherwise required by law, the compensation and other terms quoted in this proposal have not been knowingly disclosed by the undersigned or any other individual and, before the proposal is opened, shall not knowingly be directly or indirectly disclosed by the undersigned or any other individual by or on behalf of the undersigned to any other proposer or to any competitor; and
- (iii) No attempt has been made or will be made by the undersigned or by any other individual by or on behalf of the undersigned to induce any other person, partnership, corporation, or other entity to submit or not to submit a proposal, for the purpose of restricting competition.

The undersigned individual declares under the penalties of perjury provided for by Article 210 of the New York Penal Law that the undersigned individual has read fully and understands all of the terms and conditions of this Request for Proposals, and all of the foregoing questions in this Prospective Tenant Information Statement. The answers and statements herein including, without limitation, this Prospective Tenant Information Statement, are to the best of the undersigned's knowledge and belief true, correct, and complete. The undersigned agrees that in the event that circumstances reflected by the answers herein change, the undersigned will promptly notify the Real Estate Department of the Metropolitan Transportation Authority in writing by certified mail. The undersigned also understands that any misstatement, omission or failure to update information may be cause for the Metropolitan Transportation Authority not to award to the proposed lease to the prospective tenant, and may have the effect of precluding persons or entities from doing business with the Metropolitan Transportation Authority or its affiliates or subsidiaries in the future.

### **This Prospective Tenant Information Statement must be signed:**

Prospective Tenant: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **NEW YORK STATE FINANCE LAW SECTIONS 139-j and 139-k CERTIFICATION**

### **General Information**

All procurements (which are defined to include essentially all real estate transactions) by the MTA in excess of \$15,000 annually are subject to New York State's State Finance Law Sections 139-j and 139-k, effective January 1, 2006 (the "Procurement Lobbying Law").

Pursuant to the Procurement Lobbying Law, all "contacts" (defined as oral, written or electronic communications with the MTA intended to influence a procurement) during a procurement must be made with one or more designated Point(s) of Contact only. Exceptions to this rule include written questions during the bid/proposal process, communications with regard to protests, contract negotiations and RFP conference participation. Nothing in the Procurement Lobbying Law inhibits any rights to make an appeal, protest or complaint under existing administrative or judicial procedures.

Violations of the policy regarding permissible contacts must be reported to the appropriate MTA officer and investigated accordingly. The first violation may result in a determination of non-responsibility and ineligibility for award to the violator and its subsidiaries, affiliates and related entities. The penalty for a second violation within four (4) years is ineligibility for bidding/proposing on a procurement and/or ineligibility from being awarded any contract for a period of four (4) years. The MTA will notify the New York State Office of General Services ("OGS") of any determinations of non-responsibility or debarments due to violations of the Procurement Lobbying Law. Violations found to be "knowing and willful" must be reported to the MTA Executive Director and OGS.

Moreover, the statutes require the MTA to obtain certain affirmations and certifications from bidders and proposers. This Certification contains the forms with which to comply, together with additional information and instructions.

### **Instructions**

New York State Finance Law §139-k (2) obligates the MTA to obtain specific information regarding prior non-responsibility determinations. This information must be collected in addition to the information that is separately obtained pursuant to New York State Finance Law §139-k, an offerer must be asked to disclose whether there has been a finding of non-responsibility made within the previous four (4) years by any governmental entity due to: (a) a violation of New York State Finance Law §139-j or (b) the intentional provision of false or incomplete information to a governmental entity.

As part of its responsibility determination, New York State Finance Law §139-k(3) mandates consideration of whether an offerer fails to timely disclose accurate or complete information regarding the above non-responsibility determination. In accordance with law, no procurement contract shall be awarded to any offerer that fails to timely disclose accurate or complete information under this section, unless the factual elements of the limited waiver provision can be satisfied on the written record.

## Disclosure of Prior Non-Responsibility Determinations

Name of Prospective Tenant: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Name and Title of Person Submitting this Form: \_\_\_\_\_

Has any governmental entity<sup>4</sup> made a finding of non-responsibility regarding the prospective tenant or any Affiliate thereof in the previous four years?

Yes  No

If yes: Was the basis for such finding of the non-responsibility due to a violation of State Finance Law §139-j?

Yes  No

Was the basis for such finding of non-responsibility due to the intentional provision of false or incomplete information to a governmental entity?

Yes  No

If yes, please provide details regarding the finding of non-responsibility below.

Governmental Entity: \_\_\_\_\_

Year of Finding of Non-Responsibility: \_\_\_\_\_

Basis of Finding of Non-Responsibility: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Add additional pages as necessary)

Has any governmental entity terminated a procurement contract with the prospective tenant or any Affiliate thereof due to the intentional provision of false or incomplete information?

Yes  No

## Prospective Tenant's Affirmation and Certification

<sup>4</sup> A "governmental entity" is: (1) any department, board, bureau, commission, division, office, council, committee or officer of New York State, whether permanent or temporary; (2) each house of the New York State Legislature; (3) the unified court system; (4) any public authority, public benefit corporation or commission created by or existing pursuant to the public authorities law; (5) any public authority or public benefit corporation, at least one of whose members is appointed by the governor or who serves as a member by virtue of holding a civil office of the state; (6) a municipal agency, as that term is defined in paragraph (ii) of subdivision(s) of section one-c of the Legislative Law; or (7) a subsidiary or affiliate of such a public authority. (SFL §139-j, paragraph 1.a.)

By signing below, the undersigned:

- a) Affirms that the prospective tenant understands and agrees to comply with the policy regarding permissible contacts in accordance with New York State Finance Law Sections 139-j and 139-k.
- b) Certifies that all information provided to the MTA with respect to New York State Finance Law §139-j and §139-k is complete, true and accurate.

Prospective Tenant: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**MTA's Right to Terminate**

The MTA reserves the right to terminate any lease with the prospective tenant arising out of this RFP in the event it is found that the foregoing certification, in accordance with New York State Finance Law §139-k, was intentionally false or intentionally incomplete. Upon such finding, the MTA may exercise its termination right by providing written notification to the tenant in accordance with the written notification terms of such lease.

## IRAN DIVESTMENT ACT - CERTIFICATION

Pursuant to New York State Finance Law §165–a, Iran Divestment Act of 2012, the Office of General Services is required to post on its web site <http://www.ogs.ny.gov/about/regs/docs/ListofEntities.pdf> a list of persons who have been determined to engage in investment activities in Iran (“the List”), as defined in that Act. Under Public Authorities Law § 2879-c, Iranian Energy Sector Divestment, the Authority, may not enter into or award a Contract unless it obtains a certification from a Bidder, who shall check the box and make the certification in Subparagraph a, below, that they are not on the List. If that certification cannot be made, the Authority may consider entering into a Contract, on a case by case basis if the Bidder checks the box and makes the certification in Subparagraph b, below, that their Iran investment is ceasing.

For purposes of this provision, a person engages in investment activities in Iran if: (A) the person provides goods or services of twenty million dollars or more in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers, or products used to construct or maintain pipelines used to transport oil or liquefied natural gas, for the energy sector of Iran; or (B) the person is a financial institution that extends twenty million dollars or more in credit to another person, for forty-five days or more, if that person will use the credit to provide goods or services in the energy sector in Iran.

The Certification is as follows:

- a. Certification that the Bidder is not on the List:** Each person, where person means natural person, corporation, company, limited liability company, business association, partnership society, trust, or any other nongovernmental entity, organization, or group, and each person signing on behalf of any other party, certifies, and in the case of a joint bid or proposal or partnership each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each person is not on the list created pursuant to paragraph (b) of subdivision 3 of section 165-a of the State Finance Law, or,
- b. Certification that the Bidder’s investment in Iran is ceasing:** The person cannot make the certification in Subparagraph a, above, but asks the Authority to consider them for award of the Contract by certifying, under penalty of perjury, that the person’s investment activities in Iran were made before April 12, 2012; the person’s investment activities in Iran have not been expanded or renewed after April 12, 2012; and the person has adopted, publicized and is implementing a formal plan to cease its investment activities in Iran and to refrain from engaging in any new investments in Iran.

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Signature/Date

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Printed Name and Position

## **ATTACHMENT 8**

### **GUIDELINES FOR SELECTION OF TENANTS FOR GRAND CENTRAL TERMINAL**

#### **Application**

These guidelines (“Guidelines”) apply to the selection of lessees for leases of commercial, retail spaces at Grand Central Terminal (“GCT”). They do not apply to the selection of licensees at GCT, which is governed by policies adopted by the Board in November, 2009 (as amended from time to time). (The principal difference between a lease and license for these purposes is that a license is terminable at the discretion of the licensor for any reason upon short notice, typically 60 days with no cost to the applicable MTA Agency.) These Guidelines supplement the MTA Real Estate Department Real Property Disposition Guidelines for the Leasing-Out and Sale of Real Property, adopted by the Board on March 21, 2018 as such Guidelines may be amended from time to time (the “General Guidelines”). In the event of any conflict between these Guidelines and the General Guidelines, these Guidelines will govern for GCT commercial retail leases.

#### **Purpose and Objective**

The purpose of these Guidelines is to provide the MTA Real Estate Department (the “RED”) with standards and procedures for issuing requests for proposals (“RFPs”) and for choosing tenants to recommend for selection for leases of commercial space at GCT. They are intended to further the MTA’s objective of maximizing the long-term aggregate revenues that the MTA derives from the leasing of the commercial space at GCT (taken as a whole), while making available to commuters and others an appropriate mix of goods and services and maintaining a level of quality commensurate with GCT’s status as an historic landmark and one of New York City’s greatest public spaces (the “Objective”). While the Objective is broader than maximizing guaranteed minimum rent for any particular space, these Guidelines establish a rebuttable presumption that the Objective will be furthered by the proposal that is “responsive” and “responsible” (as determined by the procedure described below) and offers the highest Unadjusted Guaranteed Rent Amount (as such term is defined below). Therefore, any staff recommendation to award a lease to a responsive and responsible proposer other than the responsive and responsible proposer that has offered the highest Unadjusted Guaranteed Rent Amount must be made by a selection committee and supported by a rationale that is articulated in the Staff Summary presented to the Board in connection with such recommendation.

These Guidelines are intended only for the guidance of officers and employees of the MTA. Nothing contained in these Guidelines is intended, or shall be construed, to confer upon any person or entity any right, remedy, claim or benefit under, or by reason of, any requirement or provision of these Guidelines. Except to the extent prohibited by law, any provision of these Guidelines may be waived by the Board (by ratification or otherwise) or by the Chairman and Chief Executive Officer.

#### **Requests For Proposals**

All opportunities to lease commercial space at GCT (except spaces that have monetary values below the legal threshold requiring a competitive disposition process) must be offered pursuant to competitive RFPs prepared by the Director, Retail Leasing and Management, approved by the Director, O&M, and advertised in accordance with the General Guidelines. More than one space may be offered pursuant to a single RFP.



For each space being offered, an RFP may identify preferred, mandatory, disfavored and/or prohibited uses, as and where appropriate, to encourage and/or ensure an appropriate mix of merchandise and services in various sections of GCT or to otherwise further the Objective. If an RFP identifies a preferred or mandatory use, it shall make clear whether such use is mandatory or merely preferred; if an RFP identifies a disfavored or prohibited use, it shall make clear whether such use is prohibited or merely disfavored.

Without limiting the generality of the foregoing, each RFP must reference (and each prospective tenant must be provided with access to) the generally-applicable design criteria and rules and regulations for commercial spaces at GCT, and state that compliance with such design criteria and rules and regulations is mandatory.

The Director, Retail Leasing and Management, with the concurrence of the Director, O&M, may elect to exclude national chains and/or discount merchandisers from specified areas of GCT, such as the Dining Concourse, the Lexington Passage and/or the Grand Central Market, or GCT as a whole, provided that they reasonably determine that doing so will further the Objective. If required, Each Staff Summary presented to the Board when the award of the proposed lease for a space is submitted in due course for Board approval shall set forth any preferred, mandatory, disfavored, or prohibited uses applicable to such space; provided, however, that the aforementioned design criteria and rules and regulations need only be referenced, not set forth in full, in such Staff Summaries.

### **Selection Criteria**

The following are the selection criteria (the "Selection Criteria") that shall be used to evaluate proposals:

#### **Selection Criterion A: Direct Economic Benefit to the MTA (Maximum 70 Points).**

Each evaluator shall:

First: Start with the Unadjusted Guaranteed Rent Amount for each proposal, as determined by the Technical Consultants as described below. The "Unadjusted Guaranteed Rent Amount" for any proposal is the present value of the guaranteed minimum rent set forth in such proposal, discounted to the first day of the lease term using a discount rate of 6%.

Second: Determine the Guaranteed Rent Adjustment Factor for each proposal and multiply it by the Unadjusted Guaranteed Rent Amount for such proposal, to determine the "Adjusted Guaranteed Rent Amount" for such proposal. The "Guaranteed Rent Adjustment Factor" is an adjustment factor intended to reflect any concerns that the evaluator may have with respect to the certainty of payment of the Unadjusted Guaranteed Rent Amount, taking into account (1) the evaluator's assessment of the viability of the prospective tenant's business plan, (2) the evaluator's assessment of the creditworthiness of the prospective tenant (or any proposed guarantor) and (3) any security deposits and/or letters of credit that will be required (as set forth in the applicable RFP). The Guaranteed Rent Adjustment Factor may be as high as 1.00 (which means the evaluator has no uncertainty about the Unadjusted Guaranteed Rent Amount being received by MTA) and as low as 0.50 (which means the evaluator has great uncertainty about the Unadjusted Guaranteed Rent Amount being received by MTA), provided that if a proposal includes commercially unreasonable backloading of rent then the adjustment factor may be as low as zero to protect MTA's interests.

Third. Take the Unadjusted Percentage Rent Amount for each proposal, as determined by the Technical Consultants. The “Unadjusted Percentage Rent Amount” for any proposal is the present value of the projected percentage rent as set forth in the proposal, discounted to the first day of the lease term using a discount rate of 6%.

Fourth. Determine the Percentage Rent Adjustment Factor for each proposal and multiply it by the Unadjusted Percentage Rent Amount for such proposal to determine the “Adjusted Percentage Rent Amount” for such proposal. The “Percentage Rent Adjustment Factor” is an adjustment factor intended to reflect the evaluator’s assessment of the likelihood of percentage rent being received. The Percentage Rent Adjustment Factor may be as high as 0.50 (which means the evaluator has no uncertainty about the Unadjusted Percentage Rent Amount being received by MTA) and as low as zero (which means the evaluator has great uncertainty about the Unadjusted Percentage Rent Amount being received by MTA). great uncertainty about the Unadjusted Percentage Rent Amount being received by MTA).

Fifth. Add the Adjusted Guaranteed Rent Amount for each proposal to the Adjusted Percentage Rent Amount for such proposal to determine the “Adjusted Total Rent Amount” for such proposal.

Sixth. Award the proposal with the highest Adjusted Total Rent Amount (the “Highest Adjusted Total Rent Amount”) seventy (70) points for the Selection Criterion A score.

Seventh. Calculate the Selection Criterion A score for each of the other proposals by multiplying 70 times a fraction, the numerator of which is such proposal’s Adjusted Total Rent Amount and the denominator of which is the Highest Adjusted Total Rent Amount.

**Selection Criterion B: Indirect Benefit to the MTA (Maximum 30 Points).**

Each evaluator shall determine the likelihood that each prospective tenant will support the elements of the Objective not directly reflected in Selection Criteria A by attracting other desirable prospective tenants to GCT, and/or customers for other current or prospective tenants at GCT. The Selection Criterion B score shall range from 30 (which means that the evaluator believes that the prospective tenant will have an extremely significant positive effect on the elements of the Objective not directly reflected in Selection Criterion A) to zero (which means that the evaluator believes that the prospective tenant will have no positive effect on the elements of the Objective that are not directly reflected in Selection Criterion A).

**Total Selection Criterion Score.**

The total Selection Criteria score (the “Total Selection Criteria Score”) for each proposal shall be the sum of that proposal’s Selection Criterion A score plus that proposal’s Selection Criterion B score.

**Procedures for Evaluation of Proposals**

**Step 1: Technical Evaluation by Consultants:**

All proposals received from prospective tenants shall will be independently evaluated by MTA’s Leasing Agent (currently Newmark Grubb Knight and Frank) and MTA’s Retail Manager for GCT (currently, Jones Lang LaSalle) or such other outside consultants as may from time to

time be retained by the MTA to provide leasing and retail property management services at GCT (individually, the “Technical Consultant” or collectively, the “Technical Consultants”).

Each Technical Consultant shall provide the Director of GCT Development with an independent technical evaluation (a “Technical Evaluation”) of each such proposal.

If either Technical Consultant considers that a proposal is non-responsive, such Technical Consultant shall promptly raise that issue with the Director, Retail Leasing and Management and the Director, Retail Leasing and Management shall undertake the responsiveness review in Step 2 for such proposal. If after such responsiveness review (and any corrective steps permitted in Step 2) the Director, Retail Leasing and Management (after consultation with the Director, O&M) determines that such proposal is not responsive, such proposal shall be disqualified and no further technical evaluation shall be performed.

Each Technical Evaluation of each proposal shall include:

- (i) responsiveness to the RFP;
- (ii) a calculation of the Unadjusted Guaranteed Rent Amount;
- (iii) a calculation of the Unadjusted Percentage Rent Amount;
- (iv) a description of any known adverse prior experience (such as arrears, delinquent payments, and failure to comply with lease or license terms) pertaining to business relationships of the prospective tenant or any Affiliate of the prospective tenant (as such term is described below), after due inquiry into the GCT leasing records and the records of Tenant Management;
- (v) any other matters relating to the responsibility of the proposer;
- (vi) an assessment of the viability of the prospective tenant’s business plan (taking into account, as appropriate, the prospective tenant’s concept, capabilities and past experience), the creditworthiness of the prospective tenant (or any proposed guarantor) and any security deposits and/or letters of credit that will be required (as set forth in the applicable RFP);
- (vii) an assessment of the likelihood of receiving any proposed percentage rent; and
- (viii) an assessment of the likelihood that the prospective tenant will indirectly further the Objective, by attracting other desirable prospective tenants to GCT, and/or customers for other current or prospective tenants at GCT.

### **Step 2: Determination of Responsiveness:**

The second step after receipt of proposals shall be a determination of responsiveness by the Director, Retail Leasing and Management using the standard criteria set forth in the General Guidelines (including such prospective tenant’s failure to provide all completed forms, supplemental information and signatures required by the applicable RFP). A proposal received in response to an RFP should be deemed to be “not responsive” (and thus disqualified and eliminated from further consideration by the Director, Retail Leasing and Management) if such proposal (a) contemplates uses that such RFP identified as prohibited uses or (b) fails to provide for uses that such RFP identified as mandatory uses. A prospective tenant may not be disqualified by reason of such prospective tenant having proposed uses that the RFP identified as merely “disfavored” or by reason of having failed to propose uses that the RFP identified as merely “preferred” (although that may properly be taken into account in scoring proposals, as described

above under the heading “Selection Criterion B”). If the Director, Retail Leasing and Management determines that it is in MTA’s best interests to permit a proposer to modify its proposal after the due date to correct deficiencies that would otherwise cause it to be determined to be non-responsive, such proposer shall be afforded such opportunity. If a decision is made to request action by the proposer to conform its submission with the RFP requirements, an email or letter should be sent to the proposer requesting such action. Any such email or letter should state that the non-conformity must be rectified within five working days, except that a longer time may be allowed by the Director, Retail Leasing and Management, if the nature of the non-conformity (e.g., missing architectural plans) warrants such longer period.

In making the foregoing determination, the Director of GCT Development may rely on the Technical Evaluations.

**Step 3: Initial Determination of Responsibility:**

The third step is an initial determination of responsibility by the Director, Retail Leasing and Management. The Director, Retail Leasing and Management may determine that a prospective tenant is not responsible for any reason contemplated by the General Guidelines (including unsuitability due to a record of criminality, lack of integrity, violations of the Procurement Lobbying Law (State Finance Law §§ 139-j and 139-k)).

A prospective tenant shall be deemed “not responsible” (and thus disqualified and eliminated from consideration by the Director, Retail Leasing and Management) if such prospective tenant, or any Affiliate of such prospective tenant, (a) has been convicted of a felony or any misdemeanor involving moral turpitude; (b) has been disqualified from contracting with the MTA, the City of New York, the State of New York, the Port Authority of New York and New Jersey or the federal government; (c) has violated the Procurement Lobbying Law (as more particularly described in Chapter XI of General Guidelines; (d) owes, by reason of an amount due not more than five years prior to the date of the RFP, in excess of \$10,000 to the MTA or any other MTA Agency, such amount is not (in the view of MTA Legal) the subject of a bona fide dispute and such amount has remained unpaid for more than 60 days; provided, however, that before disqualifying any prospective tenant by reason of any such non-payment, the Director, Retail Leasing and Management must provide written notice of such non-payment to such prospective tenant and afford such prospective tenant a period of not less than 30 days to pay the amount that remains unpaid unless the MTA or such other MTA Agency has previously provided written notice of such non-payment and more than 30 days have elapsed since such written notice without payment being made, in which case no further notice of non-payment need be given, provided the prospective tenant must still be provided with the general written notice and opportunity to be heard before such prospective tenant is deemed non-responsible; (e) is in default of material non-monetary obligations to the MTA or another MTA Agency under an existing lease; provided, however, that before disqualifying any prospective tenant by reason of any such default, the Director, Retail Leasing and Management must provide written notice of such non-monetary default to such prospective tenant and afford such prospective tenant a period of not less than 90 days to cure such default, or in the case of a default that cannot be cured within a 90-day period with reasonable diligent efforts, such extended reasonable period of time to commence and thereafter continuously and diligently prosecute the cure of such default; (f) has any outstanding federal, state or local tax warrants or liens; or (g) has received an unacceptable credit report from a reputable credit reporting company. Late payment, as opposed to non-payment, shall not constitute grounds for disqualification of an otherwise responsible prospective tenant (although it may be taken into account in scoring proposals, as described above under the heading “Selection Criterion A”). A prospective tenant may be deemed “not responsible” (and thus may be disqualified and eliminated from consideration by the Director, Retail Leasing and

Management) if such prospective tenant, or an Affiliate of such prospective tenant, (a) is the current tenant in the space being offered by the RFP or any other retail space at GCT, and (b) refuses to agree to amend its current lease for such space to include security provisions identical to those in the draft lease issued as part of the RFP.

If, after having been provided written notice and an opportunity to be heard, a proposer is deemed to be not responsible, no further consideration of that proposal will be undertaken. In making the foregoing determination, the Director, Retail Leasing and Management may rely on the Technical Evaluations.

#### **Step 4: Evaluation by the Director Retail Leasing and Management:**

The Director, Retail Leasing and Management shall thereafter complete his/her written evaluation of all responsive proposals received from responsible prospective tenants based on the Selection Criteria, using both the numerical scoring and comment sections of an evaluation and scoring form substantially in the form attached hereto as Appendix A (the "Evaluation Form"). In completing such Evaluation Form, the Director, Retail Leasing and Management must exercise his/her own best independent judgment taking into account the Technical Evaluations.

If the proposal with the highest Total Selection Criteria Score is also the proposal with the highest Unadjusted Guaranteed Rent Amount, then, without convening a selection committee, the Director, O&M may (i) provided at least three proposals were received, award the lease to the proposer who offered the highest Unadjusted Guaranteed Rent Amount without a Finance Committee Staff Summary or MTA Board Approval provided that it is later listed in a chart in the Finance Committee book consistent with Policy 33 adopted by the MTA Board in November, 2013, applicable to the award of leases generally under the General Guidelines or (ii) submit to the MTA Board Finance Committee a Staff Summary recommending award of the lease to such proposer and seeking authorization of the MTA Board for such action. However, if the proposal with the highest Total Selection Criteria Score is not the proposal with the highest Unadjusted Guaranteed Rent Amount or if two proposals provide for the same highest Unadjusted Guaranteed Rent Amount, then the Director, Retail Leasing and Management must convene a selection committee (the "Selection Committee") consisting of the Director, Retail Leasing and Management, the Director, O&M or his or her designee and a representative of Metro-North Commuter Railroad Company appointed by the Executive Vice President or his or her designee.

#### **Step 5: Evaluation by Selection Committee, If Necessary**

If a Selection Committee is required, the members of the Selection Committee shall be furnished with the Technical Evaluations. Each Selection Committee member other than the Director, Retail Leasing and Management shall complete his or her written evaluation of all responsive proposals received from responsible prospective tenants based on the Selection Criteria, using both the numerical scoring and comment sections of the Evaluation Form. In completing such Evaluation Form, each such Selection Committee member must exercise his or her own best independent judgment taking into account the Technical Evaluation.

A meeting of the Selection Committee shall thereafter convene. At such meeting, the members of the Selection Committee may properly discuss the applicable proposals among themselves and/or with the Consultants. After such discussion is completed, each of the three members may prepare supplemental Evaluation Forms taking into account any such consultation and discussion. Each supplemental Evaluation Form shall include a narrative explanation for the basis of any scoring changes from the scoring in that Selection Committee member's original Evaluation Form. The Total Selection Criteria Score on the three final Evaluation Forms (which

will be the original Evaluation Form for each Selection Committee member who does not submit a supplemental Evaluation Form; and shall be the supplemental Evaluation Forms for the other Selection Committee members) shall be added together and the proposals ranked based on such aggregate scoring.

#### **Step 6: Conditional Designation**

If a prospective tenant is selected, either by the Director, Retail Leasing and Management as provided in Step 4 or by a Selection Committee as provided in Step 5, as applicable under the circumstances, the Director, Retail Leasing and Management or his or her designee shall prepare a conditional designation letter for execution by the Director, O&M or other authorized signatory on behalf of MTA and Metro-North and countersignature by such prospective tenant as contemplated by the General Guidelines.

#### **Step 7: Determination of Whether to Present Recommendation to the Board**

The Director, O&M may (at any time after an RFP is issued) determine, in consultation with the MTA Legal, that it is in the best interest of the MTA to reject all proposals because the process did not yield sufficiently advantageous proposals, if the Director, O&M believes that issuing a new RFP would materially further the Objective, or because it has been determined, since the applicable RFP was issued, that the applicable space is better utilized for a non-commercial purpose, in which case the Director, O&M shall so report to the Board's Finance Committee. Otherwise, the Director, Retail Leasing and Management shall make a final determination of responsibility with respect to the prospective tenant with the highest Total Selection Criteria Score, based on any new information received after the initial determination of responsibility, and if such prospective tenant continues to be responsible the Director, O&M shall (i) provided at least three proposals were received, award the lease to the proposer who offered pursuant to Policy 33 of the General Guidelines adopted by the MTA Board in November, 2013, or (ii) submit to the MTA Board Finance Committee a Staff Summary requesting authorization to enter into a lease with the prospective tenant who did not offer the highest Unadjusted Guaranteed Rent Amount, but had the highest Total Selection Criteria Score as determined by a Selection Committee. If such recommended prospective tenant is not the proposer with the highest Unadjusted Guaranteed Rent Amount, then such Staff Summary must include a reasonably detailed explanation of the factors that the Selection Committee took into account in recommending such proposal.

# APPENDIX A – GRAND CENTRAL TERMINAL RETAIL LEASING EVALUATION SHEET

Space: \_\_\_\_\_

Evaluator: \_\_\_\_\_

Date: \_\_\_\_\_

Scoring	A	B	C	D	E	F	G	H	I	J
	Unadjusted Guaranteed Rent Amount	Guaranteed Rent Adjustment Factor*	Adjusted Guaranteed Rent Amount (A x B)	Unadjusted Percentage Rent Amount	Percentage Rent Adjustment Factor**	Adjusted Percentage Rent Amount (D x E)	Adjusted Total Rent Amount (C + F)	Selection Criterion A Score *** (0-70)	Selection Criterion B Score (0-30)	Total Selection Criterion Score (H + I)
Proposer 1										
Proposer 2										
Proposer 3										
Etc.										

\* Guaranteed Rent Adjustment Factor: from 1.00 (no uncertainty about A) to as low as 0.50 (great uncertainty about A); however may be as low as 0.00 per guidelines

\*\* Percentage Rent Adjustment Factor: as high as 0.50 (no uncertainty about D) to as low as zero (great uncertainty about D)

\*\*\* Selection Criterion A Score: 70 multiplied by the ratio of the Adjusted Total Rent Amount for the proposer to the highest Adjusted Total Rent Amount (from column G)

## **PROPOSER 1**

Space: \_\_\_\_\_

Evaluator: \_\_\_\_\_

Date: \_\_\_\_\_

Guaranteed Rent Adjustment Factor and explanation of why awarded: \_\_\_\_\_

Percentage Rent Adjustment Factor and explanation of why awarded: \_\_\_\_\_

Selection Criterion B Score and explanation of why awarded: \_\_\_\_\_

## **PROPOSER 2**

Space: \_\_\_\_\_

Evaluator: \_\_\_\_\_

Date: \_\_\_\_\_

Guaranteed Rent Adjustment Factor and explanation of why awarded: \_\_\_\_\_

Percentage Rent Adjustment Factor and explanation of why awarded: \_\_\_\_\_

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Selection Criterion B Score and explanation of why awarded:

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**PROPOSER 3**

Space:

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Evaluator:

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Date:

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Guaranteed Rent Adjustment Factor and explanation of why awarded:

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Percentage Rent Adjustment Factor and explanation of why awarded:

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Selection Criterion B Score and explanation of why awarded:

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