

# GRAND CENTRAL<sup>®</sup>





## Metropolitan Transportation Authority

June 23, 2010

**RE: GRAND CENTRAL TERMINAL — SPACE MC-36**

Dear Prospective Tenant:

We are pleased to announce that the above-referenced space at Grand Central Terminal is available for lease. This package contains all the information and materials you will need to submit a proposal to lease these prime locations.

As you know, Grand Central Terminal is a bustling transportation center in the heart of New York City with a thriving retail component that includes shops, restaurants and cafes and a fresh food marketplace. Businesses at Grand Central cater to the hundreds of thousands of New Yorkers, commuters, neighborhood office workers and tourists passing through the building daily. Retail sales levels at Grand Central have consistently been exceptional since the Terminal was restored in 1998.

**Proposals to lease the above-referenced space must be received by 5:00 p.m. on July 30, 2010.**

Please read the following pages carefully for critical information and instructions on how to complete your submission.

Submissions should be delivered in sealed envelopes to the attention of:

Jordan M. Wein, Real Estate Manager  
Grand Central Terminal Development  
Metropolitan Transportation Authority  
341 Madison Avenue, Fifth Floor  
New York, NY 10017-3739

As the landlord at Grand Central, the Metropolitan Transportation Authority (the “MTA”) leases retail space at the Terminal by issuing Requests For Proposals like this one (“RFPs”). New York State law establishes strict requirements on how contacts can be made to MTA or MTA Metro-North Railroad board members, officers, employees and consultants during the pendency of such property disposition solicitations. As a general rule, **any contact by or on behalf of a prospective tenant regarding this RFP and the related solicitation must be made with MTA designated-points-of-contact only.** Failure to comply with such requirements can result in disqualification from this and other solicitations involving New York State governmental entities. For this RFP, two points-of-contact have been designated. In addition to me, Jordan Wein, Real Estate Manager, you may contact Nicole Aguirre-Filder, Senior Executive Secretary. Feel free to reach out to either of us by email with any questions you may have as we go through the RFP process. I can be reached at [jwein@mtahq.org](mailto:jwein@mtahq.org), and Nicole can be reached at [naguirre@mtahq.org](mailto:naguirre@mtahq.org).

**A site visit has been scheduled for the date and time set forth in item #18 of the Term Sheet.** Such site visit will provide an opportunity for you to examine the premises and

for us to meet in person. **However, attendance at such site visit is optional. If you plan to attend, please send me an email to that effect.**

Grand Central Terminal presents a terrific retail opportunity. We are gratified by your interest in leasing space at Grand Central Terminal and look forward to receiving your proposal.

Sincerely,

A handwritten signature in cursive script that reads "Jordan M. Wein".

Jordan M. Wein  
Real Estate Manager  
Metropolitan Transportation Authority



**Metropolitan Transportation Authority**

# **Grand Central Terminal Retail Space Request for Proposals**

## **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 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 services to the affluent communities of Fairfield and Westchester Counties, and other communities to the north and east of Manhattan. 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 42<sup>nd</sup> Street, is an airport bus terminal that provides links to LaGuardia, JFK and Newark Airports.

The Terminal's retail space contains approximately 130,000 square feet and accommodates approximately 100 individual retailers. It is located on three levels, comprising 42nd Street storefronts and interior balconies; the Main Concourse, including the Grand Central Market and the Lexington, Graybar, and Shuttle Passageways; and the Dining Concourse. Approximately 70% of such space is devoted to food-related uses, including high quality sit-down restaurants, cafes, take-out facilities and a marketplace. The overall quality of the retail at the Terminal is exceptional, and we have sought to maintain an appealing mix of local retailers and nationally known brands.

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

Spaces that are 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 Appendix 1 (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 an 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 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>

---

<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.

<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% 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% equity interest in, such prospective tenant.

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% 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% 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% 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% of the projected percentage rent will be calculated (the initial 50% reduction being due to the fact that percentage rent is not guaranteed), 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. However, if the proposal with the highest such total 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 (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) to apply the Selection Criteria.

## **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 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.

## **Submission Requirements & Due Date**

Three Copies of All Documents. Each prospective tenant must submit three (3) copies of all items listed on the submission requirements sheet that is included in this RFP.

Submission Date and Address. Proposals must be delivered, in sealed envelopes, to the following person and address, on or before the date specified in the cover letter accompanying this RFP:

Jordan M. Wein, Real Estate Manager  
Grand Central Development  
Metropolitan Transportation Authority  
341 Madison Avenue, Fifth Floor  
New York, NY 10017

Term Sheet. Included in this RFP is a "Term Sheet" for each space that is being offered pursuant to this RFP. Please review it carefully and note that it includes a description of the uses that will be permitted in each such space. 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. It is available at <http://mta.info/mta/realestate/forms.html>. The following are some of the material terms of such lease:

*As is:* The premises will be delivered “as is” and the MTA and MTA Metro-North Railroad make no representations as to the condition of any offered spaces. 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.

*Design Requirements:* The tenant will be required to comply with the architectural design criteria applicable to the Terminal, copies of which are available at <http://mta.info/mta/realestate/forms.html>.

*Build-out/Renovation:* The tenant, whether new or incumbent, 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.

### **No Brokerage Commissions**

No brokerage commission or other like fee or compensation will be due or payable by the MTA or any affiliate or subsidiary of the MTA in connection with any lease arising out of this RFP.

### **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), regarding this RFP process must be made to the MTA General Counsel, 347 Madison Avenue, New York, New York 10017. 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. For this RFP, two points-of-contact have been designated: Jordan Wein ([jwein@mtahq.org](mailto:jwein@mtahq.org)) and Nicole Aguirre-Filder ([naguirre@mtahq.org](mailto:naguirre@mtahq.org)).

Exceptions to this rule include communications with regard to protests, RFP site visit participation and lease negotiations. The protest process for this disposition is set forth in the preceding section of this RFP. 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.

*The information provided in this Request for Proposals is summary in nature and has been prepared without audit or verification. No representations or warranties of any kind, either expressed or implied, are made with respect to such information by the MTA, its affiliates or subsidiaries, or by any officer, employee, or agent thereof. Prospective tenants must recognize that the properties are being offered on an “as is” basis and that prospective tenants’ proposals must rely solely on their own independent investigations. A detailed independent investigation by any prospective tenant should be made before submitting a proposal. (Details relating to a pre-proposal site visit are set forth in the attached Term Sheet under the heading “Inspection of Premises”).*

## SUBMISSION REQUIREMENTS

Please provide the following information with your submission:

1. **Signed Term Sheet** (form included).
2. Fully completed and **signed Rent Proposal** (form included).
3. Fully completed and **signed Prospective Tenant Information Statement** (form included).
4. Fully completed and **signed NYS Finance Law Sections 139-j and 139-k Certification** (form included).
5. Comprehensive description of proposed concept and use, including price range of merchandise, and menu (if applicable).
6. 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 proposed use.
7. Company brochure, annual report, photographs of existing retail locations, or similar material, if available.

### **Follow-Up Information**

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 work zones depicting display fixtures, cash wrap casework and storage units with a notation of dimensions.
- The *Merchandise Plan* should clearly note the locations of products to be sold from display fixtures.

*Please note that all non-public company information submitted in response to this RFP is deemed confidential and a trade secret of the prospective tenant, subject to MTA's obligations to make disclosure pursuant to law, including the New York Freedom of Information Law.*

## TERM SHEET

1. **Premises:** MC-36 (Currently *Toto*)  
Graybar Passage, Grand Central Terminal
2. **Size:** Approximately 305 square feet
3. **Term:** Seven (7) years
4. **Permitted Uses<sup>3</sup>:**
  - Mandatory:  
A high-quality food-related use that will complement other such uses in the Graybar Passage and Grand Central Market
  - Preferred:  
The sale of high-quality artisanal/craft beer sold from growler-filling stations (together, if desired, with the sale of high-quality bottled artisanal/craft beer or other products either made by breweries or that pair particularly well with beer, including a variety of fermented or otherwise naturally-preserved foods such as vinegars, pickles, mustards, preserves, condiments or jams)
  - 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  
A category of use that is in direct competition with an existing or new use near this retail location within Grand Central Terminal
  - Prohibited:  
National chains  
Mass-produced beer  
Brewed coffee or tea  
Soups, sandwiches or salads  
Primary sale of ready-to-eat food

---

<sup>3</sup> 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 without limitation of the architectural design criteria and the rules and regulations that are referenced in the aforementioned form of lease.

**5. Suggested Minimum Rent & Percentage Rent<sup>4</sup>:**

Year(s)	Suggested Guaranteed Minimum Rent	Suggested Percentage (%) Rent Factor	Suggested Breakpoint
1	\$76,250.00	plus 6% of gross sales over breakpoint of	\$1,270,833.33
2	\$78,537.50	plus 6% of gross sales over breakpoint of	\$1,308,958.33
3	\$80,893.63	plus 6% of gross sales over breakpoint of	\$1,348,227.08
4	\$83,320.43	plus 6% of gross sales over breakpoint of	\$1,388,673.90
5	\$85,820.05	plus 6% of gross sales over breakpoint of	\$1,430,334.11
6	\$88,394.65	plus 6% of gross sales over breakpoint of	\$1,473,244.14
7	\$91,046.49	plus 6% of gross sales over breakpoint of	\$1,517,441.46

**6. Additional Rent:** Advertising and Promotion Contribution: \$10.00 per square foot per year increasing annually by 3%.

Trash Removal Charge: Estimated at \$9.00 per square foot per year increasing annually by 5%.

Utilities –Sub-metered and billed separately.

Other Additional Rent amounts as per lease form (available at <http://mta.info/mta/realestate/forms.html>).

**7. Prepaid Rent:** One (1) month’s Minimum Rent.

**8. Security:** Cash deposit equal to three (3) month’s Minimum Rent. In addition, unless the Tenant itself has a net worth that is suitably substantial under the circumstances, a guaranty from a creditworthy principal of Tenant will be required. If the proposed rent is substantially higher than the suggested rent set forth above, such guaranty must cover such rent in full. Otherwise, it can be limited to a guaranty, the form of which is available at <http://mta.info/mta/realestate/forms.html>.

**9. Condition of Premises:** Premises will be delivered “as is.”

Tenant to pay Landlord \$5,000.00 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).

<sup>4</sup> These suggested minimum percentage rents reflect the MTA’s estimate of what an average enterprise would be willing to pay in rent for the Premises based on the uses set forth in this Term Sheet. They are provided solely as points of reference. Each prospective tenant must submit its own completed Rent Proposal using the prescribed form. The selection criteria by which proposals will be ranked are described in this RFP and include minimum rent and percentage rent among other factors.

- 10. Storage Space:** Limited storage space available. Please submit requirements.
- 11. Storage Rent:** \$75.00 per square foot per year increasing annually by 3%.
- 12. Minimum Hours of Operation:**  
Monday – Friday: 8:00 AM to 8:00 PM  
Saturday: 10:00 AM to 8:00 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), Sixth Avenue to the West (including the West side of Sixth Avenue), 50<sup>th</sup> Street to the North (including the North side of 50<sup>th</sup> Street), and 35<sup>th</sup> Street to the South (including the South side of 35<sup>th</sup> Street).
- 14. Commencement Date:** Date possession of the Premises is delivered to Tenant
- 15. Required Opening Date:** Not later than sixty (60) days after the Commencement Date
- 16. Rent Commencement Date:** The earlier of (i) sixty (60) days following the Commencement Date and (ii) the date Tenant opens for business to the general public
- 17. Broker:** None
- 18. Inspection of Premises:** An optional site visit will take place as follows:  
  
Meeting Location: In front of Space MC-86 (*Toto* in Graybar Passage)  
  
Date: Wednesday, July 7, 2010  
  
Time: 10:30 AM

**Please email [jwein@mtahq.org](mailto:jwein@mtahq.org) to confirm your attendance at the site visit.**

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

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

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

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

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

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

## RENT PROPOSAL

Location Name:                   Space MC-36, Graybar Passage

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

The following chart must be completed:

Year(s)	Proposed Guaranteed Minimum Rent	Proposed Percentage (%) Rent Factor	Proposed Breakpoint
1	\$ _____	<i>plus</i> ___ % of gross sales over breakpoint of	\$ _____
2	\$ _____	<i>plus</i> ___ % of gross sales over breakpoint of	\$ _____
3	\$ _____	<i>plus</i> ___ % of gross sales over breakpoint of	\$ _____
4	\$ _____	<i>plus</i> ___ % of gross sales over breakpoint of	\$ _____
5	\$ _____	<i>plus</i> ___ % of gross sales over breakpoint of	\$ _____
6	\$ _____	<i>plus</i> ___ % of gross sales over breakpoint of	\$ _____
7	\$ _____	<i>plus</i> ___ % of gross sales over breakpoint of	\$ _____

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

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

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

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

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

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



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**

1. Name of Prospective Tenant: \_\_\_\_\_  
Street: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_  
Telephone: \_\_\_\_\_
2. Name of President or most senior executive: \_\_\_\_\_  
Name of Chief Financial Officer or Treasurer: \_\_\_\_\_
3. Type of business:  
\_\_\_ Corporation \_\_\_ Joint Venture \_\_\_ Partnership \_\_\_ Limited Liability Corporation  
\_\_\_ Sole Proprietor
4. Federal Tax ID # \_\_\_\_\_ State of Organization \_\_\_\_\_

**Information Relating to Affiliates**

1. 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: \_\_\_\_\_

2. If Applicable, name of Principal(s) who will provide guaranty described in Term Sheet

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

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

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

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

3. 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: \_\_\_\_\_

4. Does any Principal own more than 30% 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**

1. List all leases or licenses in force during the last 5 years between the MTA (and its subsidiaries and affiliates) and the prospective tenant or any Affiliate of the prospective tenant. \*

a. Name of lessee or licensee: \_\_\_\_\_

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

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

b. Name of lessee or licensee: \_\_\_\_\_

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

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

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Business References**

1. 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:

a. Company Name: \_\_\_\_\_

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

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

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

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

b. Company Name: \_\_\_\_\_

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

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

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

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

c. Company Name: \_\_\_\_\_

---

\* For definition of Affiliate, see page 5 of RFP.

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

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

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

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

**Bank References**

1. 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 #: \_\_\_\_\_

2. 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**

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

a. Name of Source: \_\_\_\_\_

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

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

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

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

b. Name of Source: \_\_\_\_\_

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

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

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

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

## Financial Statements

Provide financial statements (audited, if available) for prospective tenant and each guarantor for the past two full fiscal years. If financial statements are not otherwise available, please provide the following information:

### **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 (Pensions, Annuities)	\$	
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 and 17
19 - Inventory	\$	
20 - Miscellaneous	\$	
21 - Land and Buildings	\$	
22 - <b>GRAND TOTAL ASSETS</b>	\$	add lines 5, 8, 12, 15, 18-21

#### **Liabilities**

23 - Trade Payables	\$	
24 - Unsecured Notes Payable	\$	
25 - Secured Notes Payable	\$	
26 - Deferred	\$	
27 - Miscellaneous	\$	
28 - <b>GRAND TOTAL LIABILITIES</b>	\$	add lines 23-27
29 - <b>CAPITAL/NET WORTH</b>	\$	line 22 minus line 28

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) that will provide a guaranty as required by the Term Sheet. Clearly indicate all sources of capitalization.

**Projected First Year Business Plan**

Provide projected income and expenses for the first year of the lease term:

**Income:**

1 – Estimated Sales / Revenue	\$	_____	
2 – Cost of Goods Sold	\$	_____	
3- <b>GROSS PROFIT</b>	\$	_____	subtract line 2 from line 1

**Expenses:**

4- Wages, Salaries	\$	_____	
5 – Rent	\$	_____	
6 – Telephone	\$	_____	
7 – Gas	\$	_____	
8 – Electricity	\$	_____	
9 – Interest on Loan	\$	_____	
10 – Advertising	\$	_____	
11 – Postage	\$	_____	
12 – Travel	\$	_____	
13 – Vehicle Expense	\$	_____	
14 – Payroll Taxes	\$	_____	
15 – Other Taxes	\$	_____	
16 – Supplies	\$	_____	
17 – Legal Fees	\$	_____	
18 – Accounting Fees	\$	_____	
19 – Insurance	\$	_____	
20 – Repairs	\$	_____	
21 – Equipment Rental	\$	_____	
22 – Depreciation	\$	_____	
23 – Other	\$	_____	
24 - <b>TOTAL EXPENSES</b>	\$	_____	add lines 4 through 23
25 – <b>ESTIMATED PROFIT (LOSS)</b>	\$	_____	subtract line 24 from line 3

**Projected First Year Business Plan (cont'd)**

---

**Startup Costs**

Provide estimated start-up costs:

Legal Costs	\$ _____
Architectural Fees	\$ _____
Licensing Fees	\$ _____
Incorporation Fees	\$ _____
Rent During Construction	\$ _____
Construction Costs	\$ _____
Fixtures	\$ _____
Inventory	\$ _____
Consulting Fees	\$ _____
Franchise Fees	\$ _____
Miscellaneous	\$ _____
<b>TOTAL STARTUP COSTS</b>	<b>\$ _____</b>

**Projected Sales For Lease Term**

Provide projected sales for the lease term after the first year (include only those years during proposed lease term)

Year Two:	\$ _____
Year Three:	\$ _____
Year Four:	\$ _____
Year Five:	\$ _____
Year Six:	\$ _____
Year Seven:	\$ _____
Year Eight:	\$ _____
Year Nine:	\$ _____
Year Ten:	\$ _____

**Responsibility-Related Questions**

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:

---



---



---



---



---



---

**Consent to Credit Review**

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**

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>5</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

<sup>5</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.)

**Prospective Tenant's Affirmation and Certification**

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.

## **APPENDIX 1**

### **Guidelines for Selection of Tenants for Grand Central Terminal**

#### **Application**

These guidelines (“Guidelines”) apply to the selection of lessees for leases of commercial 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 January, 2006 and April, 2009. (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.) These Guidelines supplement the MTA Real Estate Department Policies and Procedures For Licensing-Out, Leasing-Out and Sale Of Real Property, adopted by the Board in February, 2009, as such policies and procedures may be amended from time to time (the “General Policies and Procedures”). In the event of any conflict between these Guidelines and the General Policies and Procedures, these Guidelines will govern.

#### **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 for leases of storage spaces and other incidental 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 of GCT Development, approved by the Director of Real Estate, and advertised in accordance with the General Policies and Procedures. 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 of GCT Development, with the concurrence of the Director of Real Estate, 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, provided that they reasonably determine that doing so will further the Objective. 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).

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 be independently evaluated by Williams Jackson Ewing and 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 (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 of GCT Development and the Director of GCT Development 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 of GCT Development 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 the RED's Tenant Management Unit;
- (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 of GCT Development using the standard criteria set forth in the General Policies and Procedures (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 of GCT Development) 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 of GCT Development 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.

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 of GCT Development. The Director of GCT Development may determine that a prospective tenant is not responsible for any reason contemplated by the General Policies and Procedures (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 should be deemed "not responsible" (and thus disqualified and eliminated from consideration by the Director of GCT Development) 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 amount that remains unpaid. 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"). If a proposer is deemed to be not responsible, no further consideration of that proposal will be undertaken.

"Affiliate" of a prospective tenant means any entity that (a) controls or owns more than a 30% equity interest in such prospective tenant or (b) is controlled by, or more than a 30% equity interest in which is owned by or for the benefit of, either (i) such prospective tenant or (ii) 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% equity interest in, such prospective tenant.

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

**Step 4: Evaluation by the Director of GCT Development:**

The Director of GCT Development 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 of GCT Development 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, with the concurrence of the Director of Real Estate, a Staff Summary recommending award of the lease to such proposer may be submitted to the Board for approval without convening a selection committee. 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.

**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 of GCT Development shall 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 the Evaluation Form. In completing such Evaluation Form, each such Selection Committee member must exercise his/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: Determination of Whether to Present Recommendation to the Board**

The Director of Real Estate may (at any time after an RFP is issued) determine, subject to the approval of the Deputy Executive Director of Administration, 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 of Real Estate 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 of Real Estate shall so report to the Board's Committee on Capital Construction, Planning & Real Estate. Otherwise, the Director of GCT Development 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 of Real Estate shall submit to the Board a Staff Summary requesting authorization to enter into a lease with such prospective tenant. 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.

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										

\* 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)

Grand Central Terminal Retail Leasing Evaluation Sheet

Space: \_\_\_\_\_  
 Evaluator: \_\_\_\_\_  
 Date: \_\_\_\_\_

Proposer 1

Guaranteed Rent Adjustment Factor selected: \_\_\_\_\_

Explanation of Guaranteed Rent Adjustment Factor selected:

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

Percentage Rent Adjustment Factor selected: \_\_\_\_\_

Explanation of Percentage Rent Adjustment Factor selected:

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

Selection Criterion B Score: \_\_\_\_\_

Factors considered in arriving at Selection Criterion B Score:

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

Grand Central Terminal Retail Leasing Evaluation Sheet

Space: Space # (current tenant)  
Evaluator: \_\_\_\_\_  
Date: \_\_\_\_\_

Proposer 2

Guaranteed Rent Adjustment Factor selected: \_\_\_\_\_  
Explanation of Guaranteed Rent Adjustment Factor selected:

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

Percentage Rent Adjustment Factor selected: \_\_\_\_\_  
Explanation of Percentage Rent Adjustment Factor selected:

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

Selection Criterion B Score: \_\_\_\_\_  
Factors considered in arriving at Selection Criterion B Score:

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

---

Grand Central Terminal Retail Leasing Evaluation Sheet

Space: Space # (current tenant)  
Evaluator: \_\_\_\_\_  
Date: \_\_\_\_\_

Proposer 3

Guaranteed Rent Adjustment Factor selected: \_\_\_\_\_  
Explanation of Guaranteed Rent Adjustment Factor selected:

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

Percentage Rent Adjustment Factor selected: \_\_\_\_\_  
Explanation of Percentage Rent Adjustment Factor selected:

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

Selection Criterion B Score: \_\_\_\_\_  
Factors considered in arriving at Selection Criterion B Score:

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