



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

Senator Brad Hoylman, Council Member Keith Powers, and Grand Central Terminal Small Businesses Win Major Rent Relief From MTA

BRAD HOYLMAN-SIGAL October 28, 2020

| ISSUE: **SENATOR BRAD HOYLMAN, MTA, CORONAVIRUS PANDEMIC; COVID-19, COVID-19 AND THE MTA**

NEW YORK — Today, after months of advocacy by State Senator Brad Hoylman (Manhattan-D/WFP), Council Member Keith Powers, and business owners, the MTA Board voted unanimously to approve a major rent relief package for small business tenants at Grand Central Terminal. Senator Hoylman and Council Member Powers represent Grand Central Terminal in the New York State Senate and the City Council, respectively.

For qualifying commercial tenants the MTA will offer:

- A rent abatement for all rent from April 1, 2020 to July 31, 2020. Any rent collected during this period will be retained by the MTA and used to offset future rent.
- Starting August 1, 2020 the current rent will be adjusted to the larger of either
 - 10% of gross sales through the end of 2020 (subject to adjustment after evaluation at year's end), or;

- A Minimum Annual Guaranteed rent equal to 10% of the tenant's original rent through the end of 2020, increasing to 20% on January 1, 2021.
- This rent reduction would run until either January 31, 2023 or when ridership rates return to 75% of pre-COVID-19 levels.

Senator Hoylman said: “This is a transformative action that will keep businesses open, save jobs, and finally allow Grand Central Terminal’s merchants to exit crisis mode and plan for a future after the pandemic. Since April, I have been working alongside the small businesses at Grand Central Terminal to raise the alarm about the existential threat facing their operations. Many of these businesses reached out to my office to share grave concerns about their ability to pay the MTA market rent given the precipitous drop in foot traffic and the restrictions placed upon their operation to protect public health. We asked the MTA to extend a lifeline to these small businesses, and that is exactly what the MTA Board has done today by voting to abate months of past rent and to charge rent based on revenue moving forward.

I am deeply grateful to Council Member Keith Powers for his partnership as an advocate over the last several months, to Assembly Member Deborah Glick for helping to start the conversation, and to the MTA, Chairman Foye, Janno Lieber, and Governor Cuomo for listening to our concerns and responding with concrete action.”

Council Member Keith Powers said: “Rent relief is the number-one need for small businesses to get through the pandemic. This new program ensures small business owners have a future at Grand Central Terminal, a hub of commerce and transportation, for when we welcome New Yorkers and commuters back in full.

I want to thank Senator Hoylman for his work to secure this deal, as well as the MTA for its willingness to negotiate on behalf of our small businesses in a way that provides real help.”

Chris Taylor of Li-Lac Chocolates said: “Everyone loves to complain about the MTA, and their tenants are probably no different. But today, we must acknowledge they took a huge step to saving many of our business. And more importantly, the job of well over 1,000 of our employees. I think I can speak on behalf of all Grand Central tenants when I say a heartfelt thank you to Assemblymember Glick for getting the ball rolling on this, and Senator Hoylman for his incredible leadership.”

Inna Zeliksen of Inaya Jewelry said: “We are so grateful to Senator Hoylman, his staff, and the MTA for passing the rent relief proposal. Without this plan, our store would have no chance of keeping its doors open, and we would most likely have to close our business of 18 years. This has reinforced our belief that our amazing city is filled with people that will stand up for what's right and help those in need. As immigrants and refugees, this means everything to us.”

Caroline Bell of Cafe Grumpy said: “We are grateful for Senator Brad Hoylman’s advocacy on behalf of the independent tenants and feel that this decision will allow local businesses like ours to survive while showing the MTA to be a pioneer in its care for Grand Central Terminal’s future vibrancy. “

Daily ridership on the subway and Metro North has plummeted this year, leaving the halls of the famous terminal empty. Despite this, the MTA and their managing agent Jones Lang LaSalle, were until today continuing to ask for full market rent from tenants. With diminished ridership, much of the foot traffic on the lower-level concourse has vanished.

While the MTA initially deferred rent in April for merchants at Grand Central through July, tenants have been required to pay full rent since August, facing interest and penalties for any missed payments. Before this relief package, the deferred rent was due in full to be paid throughout 2021.

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