



Penn Station Area Plan Hearing State Senate
June 24, 2022

Hello. My name is Felicia Park-Rogers, Director of Regional Infrastructure Projects for the Tri-State Transportation Campaign. TSTC is a regional transit and transportation policy, advocacy, and research organization working to improve equity, the environment, and mobility in New Jersey, New York, and Connecticut through better mass transit and transportation systems. I have represented TSTC for more than two years as a member of the community advisory committee and working group to ESDC's Penn Station Area Improvement Project.

Today we are here to talk about one of the largest state-led infrastructure projects in New York City, possibly the development of Lincoln Center. This project has been segmented into three portions: ESDC's Penn Area Improvement Plan, to be funded through a GPP; the renovation of current Penn Station by the railroads under the leadership of the MTA; and the construction of the Hudson Tunnels to connect the Northeast Corridor with Penn Station and to re-build the current crumbling tunnels. This project falls under the Gateway Project umbrella and includes a possible expansion of Penn Station to increase train capacity for New Jersey Transit.

The GPP is a land use plan which includes a funding scheme which relies on PILOTS and other funding mechanisms to capture future revenue in order to pay for a portion of transit improvements as well as to contribute funds to the cost of renovating Penn Station. The cost of renovating the current Penn Station is estimated to be approximately 7 billion dollars. The Hudson tunnels project is estimated at approximately 20 billion dollars. The cost of a possible Penn Station expansion is unknown but could cost as much as ten billion dollars. The Penn station renovation project, the Hudson tunnels, and the possible expansion are all eligible to apply for federal dollars under the IIJA, with grants that would provide an 80% match to state investments in these projects.

The Penn Station area is a lynchpin for our region's transportation network, our economy, our residents, our workers, and the tens of millions of people who visit New York City every year. TSTC agrees that it is past time to invest in renewing this area. We agree that transit-oriented development is the best type of development for our city as well as for our collective efforts to combat climate change. We agree that Penn Station is operating far beyond capacity and desperately needs to be modernized and improved in order for our city, our economy, and our transportation network to effectively, efficiently, reliably, and safely transport riders. New York City, New York State, and our entire region are hindered by the current Penn Station. Our entire region stands to benefit by improving the Penn Station area.

Nevertheless, TSTC has concerns about the plan as it stands. Firstly this GPP's number one goal is supposedly to create funds to improve transit, yet we don't know how much funding will

be created or the timeline for when those funds will be available. As made plain in [a recent Daily News op ed](#), value capture financing rarely creates the amount of revenue promised. Taxpayers are frequently left on the hook in what essentially becomes a plan to subsidize large developers and to reduce their tax load to the city. Rachel Fauss of Re-Invent Albany has already spoken eloquently to this as does the [IBO report examining this GPP](#). What is the contingency plan if the anticipated funding from the PILOT doesn't materialize? Who pays then?

TSTC also has serious concerns about the current plan for renovating the original Penn Station. Obviously a massive renovation is desperately needed for this antiquated, unsafe, horrible station. But, good transit planning starts with function first and is then followed by form. A pretty new station does New Yorkers no good if trains are still late, platforms are still unsafe, and service is still fragmented. The function of Penn Station is to move the riders of New Jersey Transit, Metro-North Rail, LIRR, and various MTA subways throughout the region efficiently, safely and reliably.

The new Hudson Tunnels and the improvements to the Northeast Corridor are undeniably the most important infrastructure project in our nation, regions, and city. The original Penn Station was built in 1910. It is horribly antiquated and is no longer safe. But we believe that in order to fix Penn Station, we must fix the tracks and platforms, and then design a new station around those. The Hudson Tunnels expansion allows us an opportunity to build on the through-running capacity already in place to create more and better regional connectivity. Just this week we produced [a report envisioning the transformation](#) of our region's segmented and bifurcated rail systems into one seamless regional rail system with unified wayfinding, coordinated schedules and fares, under one managing body for the ease of riders and to dramatically improve regional mobility.

The current NEPA analysis includes four alternatives for how to expand and increase the capacity of Penn Station. While a bureaucratic process, seemingly obscure process, it is this process that lies at the heart of improving Penn Station. It demands transparency from the railroads and their commitment to perform an honest, rigorous, thorough analysis of the best alternatives to improve the tracks, platforms, and capacity of Penn Station.

We must learn from the mistakes that were made with the LaGuardia AirTrain project in which one alternative was verifiably the preferred outcome and the other three alternatives were designed to fail. It is important that the railroads perform a detailed cost-benefit analysis and a legitimate, transparent analysis of all of four options, including the through-running alternative. proposed Penn Station expansion through creating four stub end platforms with eight new tracks. This is not the current International standard for station design. We are concerned it will create bottlenecks and crossing conflicts that will maintain or increase the current inefficiencies in our system. Cities such as London and Paris have combined their commuter rails and their subways to allow for greater efficiency in which trains run through a station rather than pull in and then are required to back out as is required in a terminal station such as is being proposed with the new Penn Station. Our report includes a modified plan which allows for some expansion, more through-running, and attempts to save more of the existing Block 780..

You don't have to be an urban planner or transportation expert to know that one of the biggest mistakes ever made in the City of New York was tearing down the original Penn Station and building Madison Square Garden and the 2 Penn office tower on top of the station. TSTC is

concerned that this new plan further exacerbates that mistake. While the Penn Station renovation is a creative attempt to work around the massive constraints placed upon it by Madison Square Garden and 2 Penn, that creativity leads to multiple problems for the station and its riders, as well as the taxpayers. The estimated cost of \$7 billion dollars is enormous. Moynihan Station, for example, cost \$1.3 billion dollars. Why is the cost so high? One reason is that it will require significant expense to overcome the structural constraints placed on the station due to Madison Square Garden being on top of it. Another reason is that the [MTA will have to pay to rebuild the Madison Square Garden Skyway](#) to 7th Avenue as well as pay to move their loading zone underground in order to build the proposed concourse between 31st Street and 33rd Street.

Not only is this exorbitantly expensive, it means that the station entrances and exits will be mid-block rather than exiting onto 7th and 8th Avenues, where most riders actually want to exit to reach their destinations. Madison Square Garden benefits tremendously from sitting atop the nation's largest train station, yet they refuse to engage in any meaningful negotiations in order to make the space work better for the city, the region, the riders, and even for themselves. Madison Square Garden by state statute pays no taxes to the city. The last time an estimate was done this was approximately \$143 million dollars in lost annual tax revenue. These are funds that could, for example, be bonded against through a TIF to be applied towards transit improvements at Penn Station.

There is a very real possibility that Madison Square Garden could decide to move its venue at any time, at which point our taxpayers will have paid \$7 billion dollars to build an underground station and a glass walkway mid-block, not having re-worked the platforms or tracks, and leaving an outdated, far from state-of-the-art, possibly empty stadium atop what should be the pride and joy of the State's transportation network.

In summary, Tri-State Transportation Campaign recommends:

- 1) making meaningful improvements to the GPP plan as outlined in detail by the CAC-WG. Governor Hochul's revisions to the proposed project were minimal and not substantive. They did little to address the concerns raised by stakeholder and the CAC-WG. In order to restore faith with the public it is imperative that ESDC incorporate the changes recommended by the community advisory committee, which includes many of our city's premier urban planning leaders, advocacy and civic groups, and community representatives.
- 2) Include MSG and 2 Penn in the GPP. It makes zero sense that those are not part of the area improvement plan when they create the largest impediments to improving the transit system.
- 3) Insist on a detailed, verifiable funding mechanism for the transit improvements in the GPP, which includes a contingency plan if that anticipated funding doesn't materialize.
- 4) Insist on a robust preliminary analysis of the four alternatives including a legitimate analysis of increasing the through-running capabilities at Penn Station, which could help avoid the need for eminent domain of a large portion of Block 780.

- 5) Lastly, pass legislation revoking the tax abatement of MSG. Engage the owners of MSG in serious and robust negotiations to work together to improve transit, access, safety, and reliability for riders. With MSG as an engaged partner, it's given that they will continue to benefit tremendously from their premier transit location.

Thank you for your consideration and investigation into this monumental project.