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FOUR RAIL INVESTMENTS VITAL TO NEW YORK CITY'S FUTURE



THE PROBLEM AN AGING TRANSIT SYSTEM, A GROWING POPULATION

New York City's rail transportation system carries millions of commuters from across the region every day, undergirding an essential component of the United States economy.

The recent discussion about the future of Penn Station offered a unique opportunity to focus public attention on the rail system's crucial importance to the economy and the mobility of the City, particularly on the emerging Far West Side of Manhattan. Unfortunately, this conversation failed to address the single most important problem the City faces around Penn Station: **New York City's rail connections to New Jersey and points north and west have remained essentially unchanged for more than a century.**

This antiquated network is ill-equipped to transport the hundreds of thousands of commuters whose daily trips to work rank among the longest in the nation. Chokepoints in the system, such as the two, single-track tunnels under the Hudson, constrain further growth. Three major independent rail operators, Amtrak, New Jersey Transit (NJ Transit), and the Long Island Rail Road (LIRR), all use Penn Station as a key terminal, operating at full capacity during rush hours, with no flexibility to expand service in its current configuration.

While these conditions are reason enough to expand the West Side rail network, two transformative events now make it imperative. First, in 2005, the City's Hudson Yards rezoning on Manhattan's Far West Side permitted the creation of up to 26 million square feet of new commercial space, tens of thousands of new housing units, and millions more square feet of retail and hotel space. A new neighborhood is quickly developing to the west of Penn Station where none had existed before.

The soon-to-be completed extension of the #7 subway to Hudson Yards was necessary to spur initial development, but as millions of square feet of new commercial and residential space come online there, existing rail service will be hard pressed to meet this new demand when it is already one of the most congested parts of the rail system.

Second, Superstorm Sandy offered a sobering lesson about the weaknesses of the City's aging transportation network. The storm inundated most of the City's commuter tunnels, halting access to the City for most of the 1.6 million workers who travel to Manhattan to work.

The storm's immediate, harmful impact on the City's economy was well documented. But perhaps more troublesome are its longer-term effects. The Metropolitan Transportation Authority (MTA) is closing the Montague Street Tunnel, connecting the R subway line between Brooklyn and Manhattan, for more than a year to repair damage caused from the storm. Fortunately, the thousands who use the R train can find alternative routes through transit-rich downtown Brooklyn.

This is not the case between New Jersey and Manhattan, where, astonishingly, *only two single-track tunnels connect the entire commuter rail system to points west of Manhattan*. There is no alternative rail route if these tunnels fail. New tunnels capable of withstanding severe weather events must therefore be constructed.

In this context of a growing workforce, the emergence of a major new central business district, and the threat posed by severe weather to the City's aging rail system, the New York Building Congress endorses four critical transportation projects in and around Moynihan Station and proposes key steps necessary to implement them. The recommendations are ambitious, but the consequences of inaction are too high, and New York's role as the nation's economic center is too important to ignore.

THE SOLUTION FOUR CORE PROJECTS

If implemented, four long-discussed, interconnected projects would solve the challenges outlined above by creating a more expansive, efficient, and resilient rail transportation network. The four projects fall under multiple local, State, and federal jurisdictions, so coordination and consensus are essential to bring them to fruition.

1. COMPLETE MOYNIHAN STATION

A new Moynihan Station, directly across the street from Penn Station in the old Farley Post Office building, will be the new home of Amtrak. Its completion is an important step toward untangling the overcrowded, confusing conditions at Penn. Phase 1, now underway, will add stairs and escalators at the platform level that will, for the first time, allow access to the West Side through Moynihan Station; modernize passenger concourses beneath Moynihan; and add attractive new exterior entrances, drawing passengers directly into the new station.

However, in order to fully relocate Amtrak and its passengers, the State and the Port Authority of New York and New Jersey, which own and operate Moynihan Station, will need to undertake Phase 2. Phase 2 would transform large portions of the old Post Office building into a grand public concourse with new commercial spaces, ticketing and other facilities for intercity

passengers, and place a major high-quality tenant on the building's 9th Avenue side.

Phase 2 can be completed at a cost of \$700 million in three years using design-build contracting. It is the State's responsibility to lead the project's key local, state, and federal stakeholders in developing a credible funding plan. To date, the City has not contributed capital funds to Moynihan. The City should be a partner, providing direct financial support or leveraging nearby assets to ensure this vital project gets underway.

A later Phase 3, in which a private developer will add new commercial space in the vicinity using available air rights, should be encouraged, but its completion is not integral to improving passenger service.

THE STATE SHOULD LEAD AN INTERGOVERNMENTAL EFFORT TO FUND AND COMPLETE MOYNIHAN STATION, THE FIRST STEP TOWARD A RECONFIGURED WEST SIDE TRANSIT CORRIDOR.

FUNDING FOR GATEWAY MUST BE INCLUDED IN THE NEXT AMTRAK REAUTHORIZATION.

2. BUILD THE AMTRAK GATEWAY PROJECT

Amtrak's Gateway project will create new, desperately needed rail connections between Manhattan's West Side and New Jersey. Demand along this corridor is forecast to grow by up to fifty percent—if the necessary infrastructure is in place.

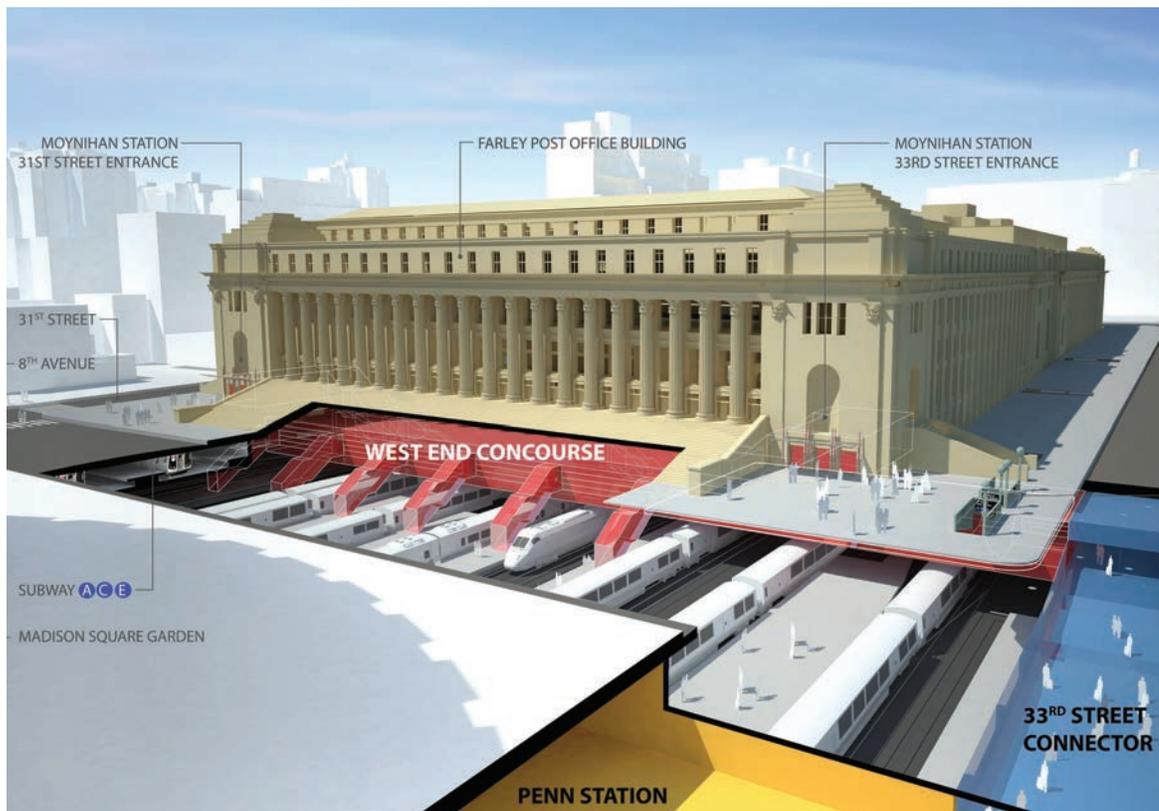
Equally important, Gateway will address the urgent need to create a second train route under the Hudson River, adding critical system redundancy and making it possible to temporarily close and modernize the existing 100-year-old tubes.

In its entirety, the Gateway project includes construction of two tunnels under the Hudson River, enhanced rail capacity at key points in New Jersey, replacement of obsolete bridges, and expansion of Penn Station to the south, adding new platforms to accommodate more trains.

The federal government, with the support of Senator Charles E. Schumer and the rest of the region's congressional delegation, enabled the first critical link when it set aside \$185 million from Sandy Recovery funding for construction of a tunnel segment beneath the Hudson Yards development and to preserve the corridor needed to connect to the future Hudson River rail tunnels.

Gateway is estimated to cost \$14 billion. While the next Amtrak reauthorization must be an essential funding source for the project, the State's leadership cannot wait for Congress to act. As of today, additional funding for this project has not been identified, although officials should investigate the feasibility of a public-private partnership and/or leveraging increased real estate values around a new station.

FUNDING OPTIONS FOR GATEWAY, SUCH AS A PUBLIC-PRIVATE PARTNERSHIP AND FINANCING DEBT THROUGH INCREASED PROPERTY TAX REVENUES FROM ENHANCED PROPERTY VALUES AND NEW DEVELOPMENT, SHOULD BE CONSIDERED.



A cross section of improved platforms and new passenger access at Moynihan Station. Phase 2 of the project will allow Amtrak to relocate operations and passengers to Moynihan Station.

3. CREATE WEST SIDE ACCESS FOR METRO-NORTH RAILROAD

Bringing Metro-North commuters directly into Penn Station creates essential redundancy in the region's commuter rail network. When Penn Station Access for Metro-North and East Side Access for LIRR are both operational, both services will have a second terminal to use in the event that service to one is impaired.

What's more, the new connection makes strong economic sense, linking New York's suburbs north of the City, Connecticut, and the Bronx to Midtown West, and streamlining connections between Metro-North, LIRR, NJ Transit, and Amtrak.

The numbers speak for themselves: MTA studies show that tens of thousands of commuters will benefit from

this service every day; more than one million cars would be taken off the road and eight million trips would be taken each year.

While Metro-North cannot begin service to Penn Station until Moynihan Station is operational and LIRR commences service to Grand Central, work on this project should begin as soon as possible. This \$1.2 billion project can be completed largely by improving infrastructure along existing routes and construction of six new intermediate stations in the Bronx and Manhattan.

If the MTA provides funding, the project could start as soon as 2015 and be completed in tandem with the grand opening of the MTA's East Side Access project in 2021, together transforming commuting patterns for the City.

THE MTA SHOULD INCLUDE FUNDING FOR METRO-NORTH PENN STATION ACCESS IN ITS 2015 CAPITAL BUDGET.

4. COMPLETE THE PENN STATION VISION STUDY AND PLAN FOR ITS IMPLEMENTATION

The poor conditions and overcrowding at Penn Station have received much deserved attention recently. A host of challenges face Penn Station, including physical constraints, logistical issues between three major rail transportation agencies, and finding workable solutions beneath a major entertainment and commercial complex.

Amtrak, the MTA, and NJ Transit are currently working on a *Penn Station Vision Study*, which is designed to propose improvements that can commence once Moynihan Station is complete. Any proposal must be compatible with the Gateway Project plans to expand Penn Station to the south. The goal will be to improve circulation, reduce overcrowding, and facilitate seamless travel throughout the region.

THE CHALLENGE GOVERNMENT ACTION AND COLLABORATION

Progress thus far on the four core projects shows that government leaders recognize their importance. But these projects are costly, challenging, and have a long way to go toward completion.

They also require collaboration. In order for this massive effort to advance further, bold, coordinated action is essential at the local, state, and federal levels. A wide range of complex issues can impede progress, including agreement on funding shares, ownership, and ongoing operating costs, all of which must be addressed up front and with strong, collaborative leadership.

The Building Congress therefore recommends that an intergovernmental working group be convened and tasked with establishing priorities to advance concrete work plans for these projects.

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CONCLUSION

LEADERSHIP IS ESSENTIAL TO BUILD THE
TRANSIT NETWORK THAT WILL SERVE
NEW YORK CITY IN THE NEXT CENTURY.

New York has always found a way to build great projects that stimulate economic growth for the region and the nation. This report has laid out what the Building Congress believes are the next critical rail transportation infrastructure projects that will encourage further growth and the key steps it will take to complete them.

In addition to the significant logistical challenges of moving these projects forward, their combined cost is large. Funding will have to come from local, state, federal, and possibly private sources. Government leaders must be resourceful and committed to obtaining and allocating the necessary funds. The recent Building Congress report, *How to Save New York City's Infrastructure: Dedicate Revenues*, proposes new, protected revenue sources, some of which could be assigned to help partially fund these vital projects.

Together, these projects will alleviate the stress of an overtaxed rail system, the overcrowding and confusion of Penn Station, and the weaknesses of the 100-year-old cross-Hudson tunnels, while creating a grand entryway for Amtrak and a new landmark for the City. These public works will provide a return on investment measured in millions of hours in reduced commuting times, billions of dollars of new economic activity, the creation of thousands of new jobs, and substantial reductions in car traffic.

However, government officials will need to bring a sense of urgency, responsibility, and commitment to these projects, and a willingness to cooperate. The decisions our leaders make in the near term will affect New York City and the Northeast for generations to come. We cannot wait. The future of the region is at stake.



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The New York Building Congress is a membership coalition of business, labor, association, and government organizations promoting the design, construction, and real estate industry in New York City.

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