

2016

FRA Rail Program Delivery

Meeting

Moynihan Station Funding and Financing

Michael Evans

President, Moynihan Station
Development Corporation

Agenda

I. Project Description

II. Challenges of Mega-Projects

III. Plan of Finance

Key Project Goals



1. Historic Preservation

2. Expanded Rail Capacity

3. Economic Development



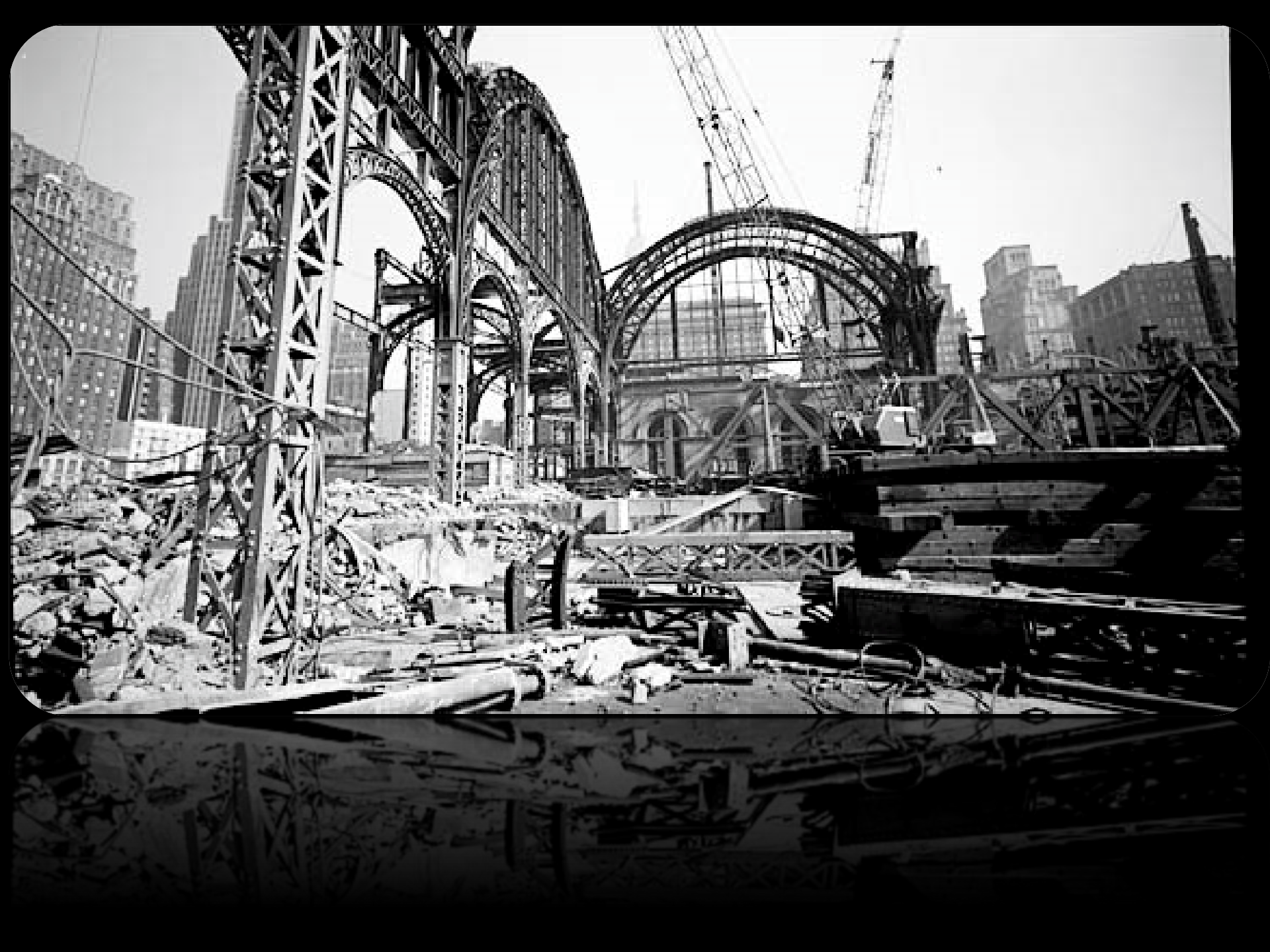




OWN STAIRS FOR
INCOMING
TRAINS

PUB
ATT

TICKETS
BAGGAGE







MADISON SQUARE GARDEN CENTER • architect: CHARLES LUCEMAN ASSOCIATES; general contractor: TURNER CONSTRUCTION CO. & THE E. WEBB CORP.; consulting engineers: SYBBA & HENNESSY, INC.; plumbing contractor: WACHTEL PLUMBING CO., INC.; plumbing wholesaler: GLACIER, INC.; fixture manufacturer: KOHLER CO.

TWO PENNSYLVANIA PLAZA • architect: CHARLES LUCEMAN ASSOCIATES; general contractor: TISHMAN REALTY & CONSTRUCTION CO., INC.; consulting engineers: JASOS, BACH & BOLLES; plumbing contractor: WACHTEL PLUMBING CO., INC.; plumbing wholesaler: GLACIER, INC.; fixture manufacturer: KOHLER CO.

Madison Square Garden Center

—a new international landmark



WELCOME TO
PENN STATION

hotels.com

9:31



PENN STATION



RE GARDEN

Seventh Ave
Joe Louis Plaza

expanded

charles & jordan

charles & jordan

NYPD

TAXI

TAXI

Busiest Transit Hub in the Western Hemisphere

 **Long Island Rail Road** 230,000

 **NJ TRANSIT**
The Way To Go. 150,000

 **AMTRAK**
30,000



650,000 pedestrians per day



JFK + Newark + LaGuardia = 300,000

← East Gates					DEPARTURES					West Gates →	
Time	Number	Train	To	Status	Track	Time	Number	Train	To	Status	Track
6:00P	4200	110 STREET	IND	ON TIME	110	6:00P	2174	ACOLA EXPRESS	WASHINGTON	ON TIME	110
7:00P	3270	AUGUST	SEC 030	ON TIME	110	6:05P	2007	110TH STREET	PHILADELPHIA	ON TIME	110
7:15P	270	EXPRESS	PHILADELPHIA	DELAYED	110	6:05P	2003	AUGUST	SEC 030	ON TIME	110
7:15P	4200	110TH STREET	IND	ON TIME	110	6:10P	2000	AC COLA EXPRESS	WASHINGTON	ON TIME	110
7:20P	3281	AUGUST	SEC 030	ON TIME	110	6:10P	2000	AC COLA EXPRESS	WASHINGTON	ON TIME	110
7:30P	1170	ACOLA EXPRESS	WASHINGTON	ON TIME	110	6:15P	2170	ACOLA EXPRESS	WASHINGTON	ON TIME	110
7:30P	3291	110 STREET	IND	ON TIME	110	6:20P	2000	AC COLA EXPRESS	WASHINGTON	ON TIME	110
7:40P	3001	AC COLA EXPRESS	WASHINGTON	ON TIME	110	6:20P	1170	ACOLA EXPRESS	WASHINGTON	ON TIME	110
7:45P	3001	AC COLA EXPRESS	WASHINGTON	ON TIME	110	6:25P	1170	ACOLA EXPRESS	WASHINGTON	ON TIME	110



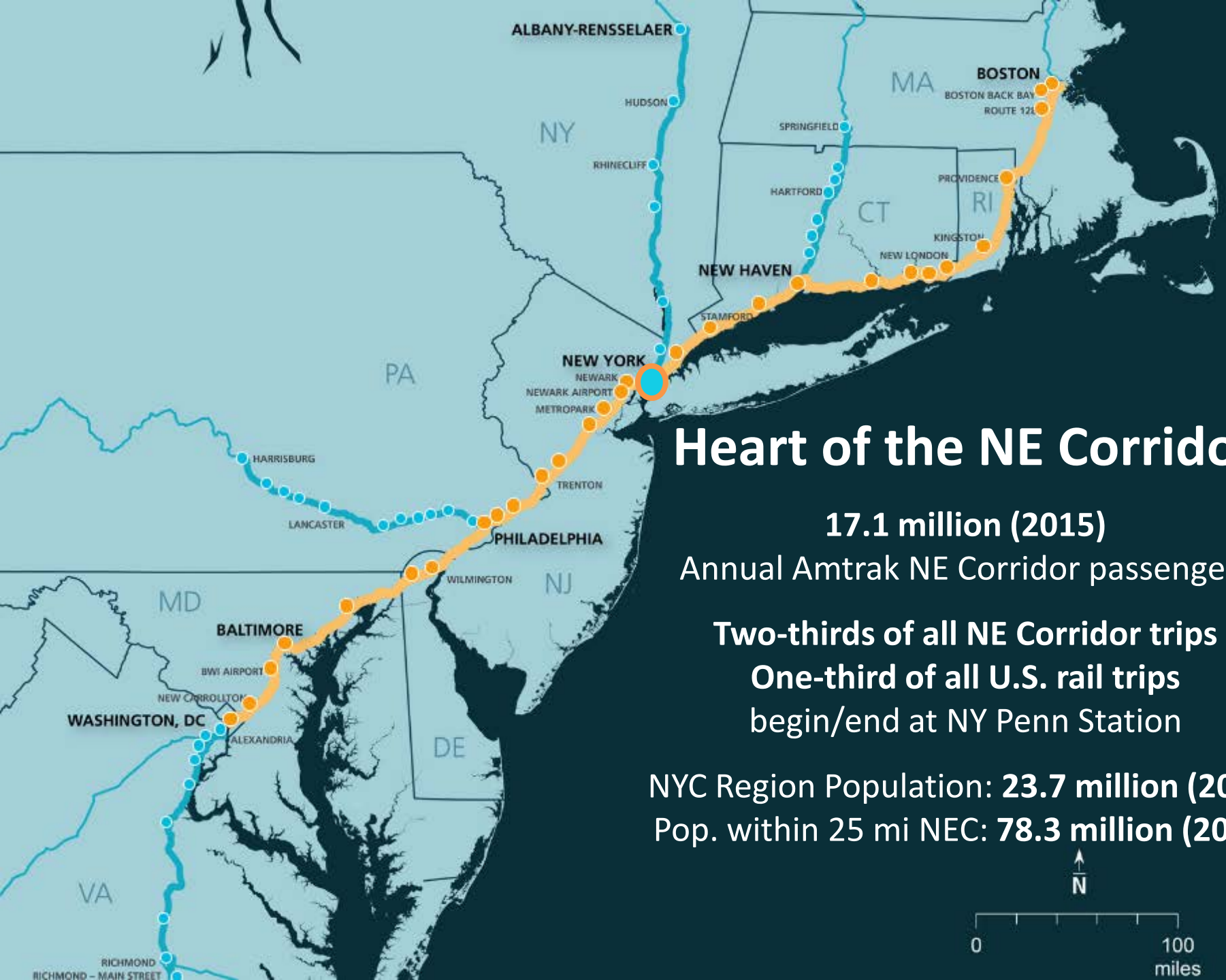
Penn Station: At Capacity

- 1976: 600 Daily Trains | 2016: 1,200 Daily Trains
- No Additional Concourse Capacity
- No Additional Track & Platform Capacity
- No Additional Hudson River Tunnel Capacity



Capacity Challenges

- Safety
- Passenger Experience
- Population Growth
- Economic Vibrancy



Heart of the NE Corridor

17.1 million (2015)
Annual Amtrak NE Corridor passengers

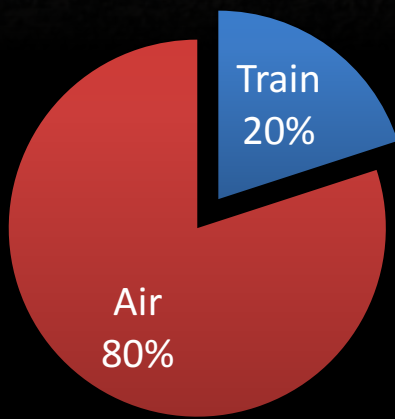
Two-thirds of all NE Corridor trips
One-third of all U.S. rail trips
begin/end at NY Penn Station

NYC Region Population: 23.7 million (2015)
Pop. within 25 mi NEC: 78.3 million (2015)

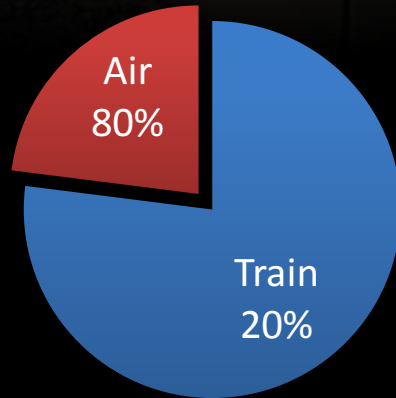


A Decade of Ridership Growth

NYC ↔ DC (1999)



NYC ↔ DC (2012)



Reversal of Modal Travel Patterns

**New Acela Trainsets Ordered (2016):
33% more seating,
More Frequent Departures**



Growth Projected to Increase

- Expanded Amtrak and Acela Service
- Gateway Project

Regional Rail Network

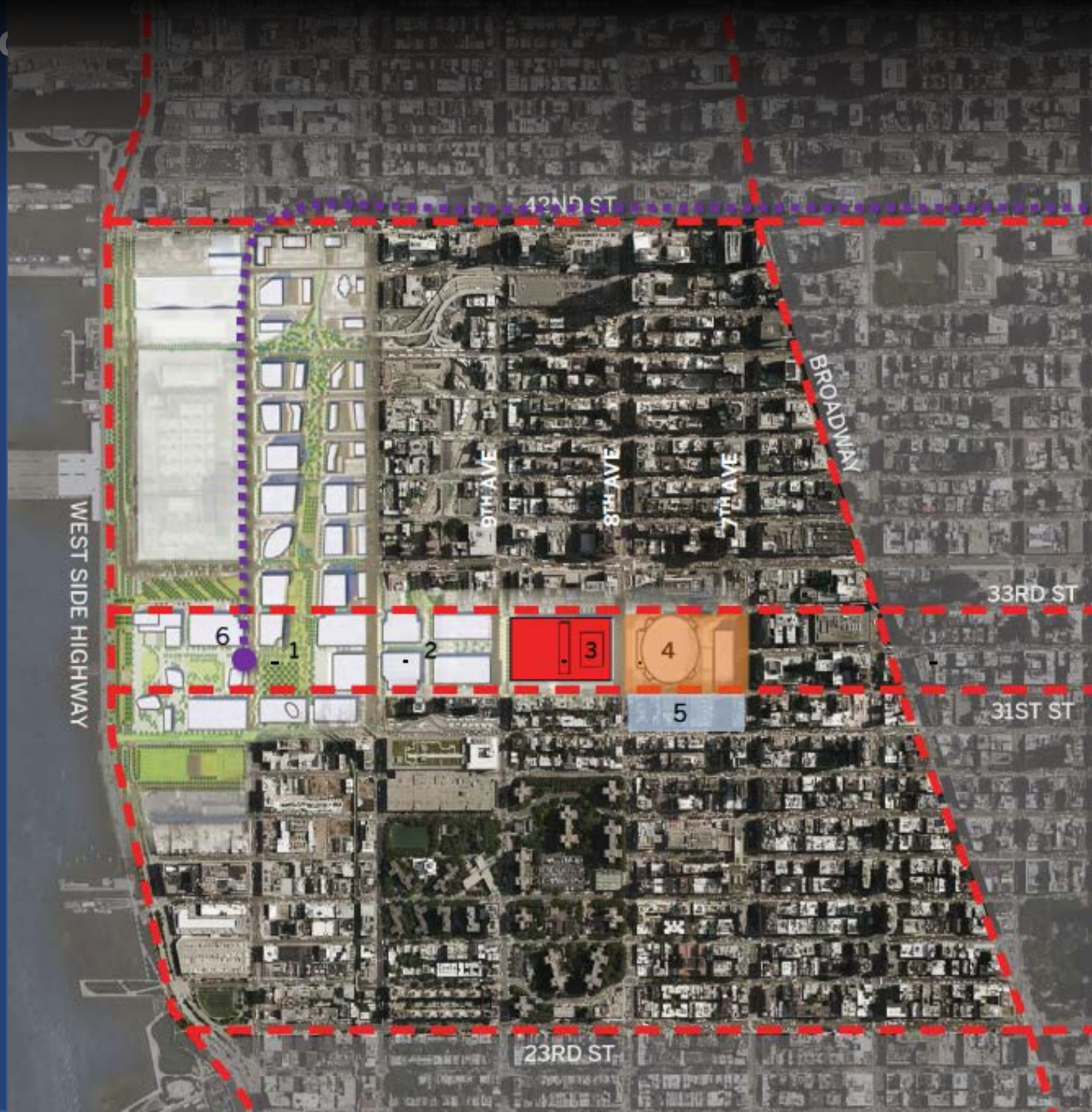


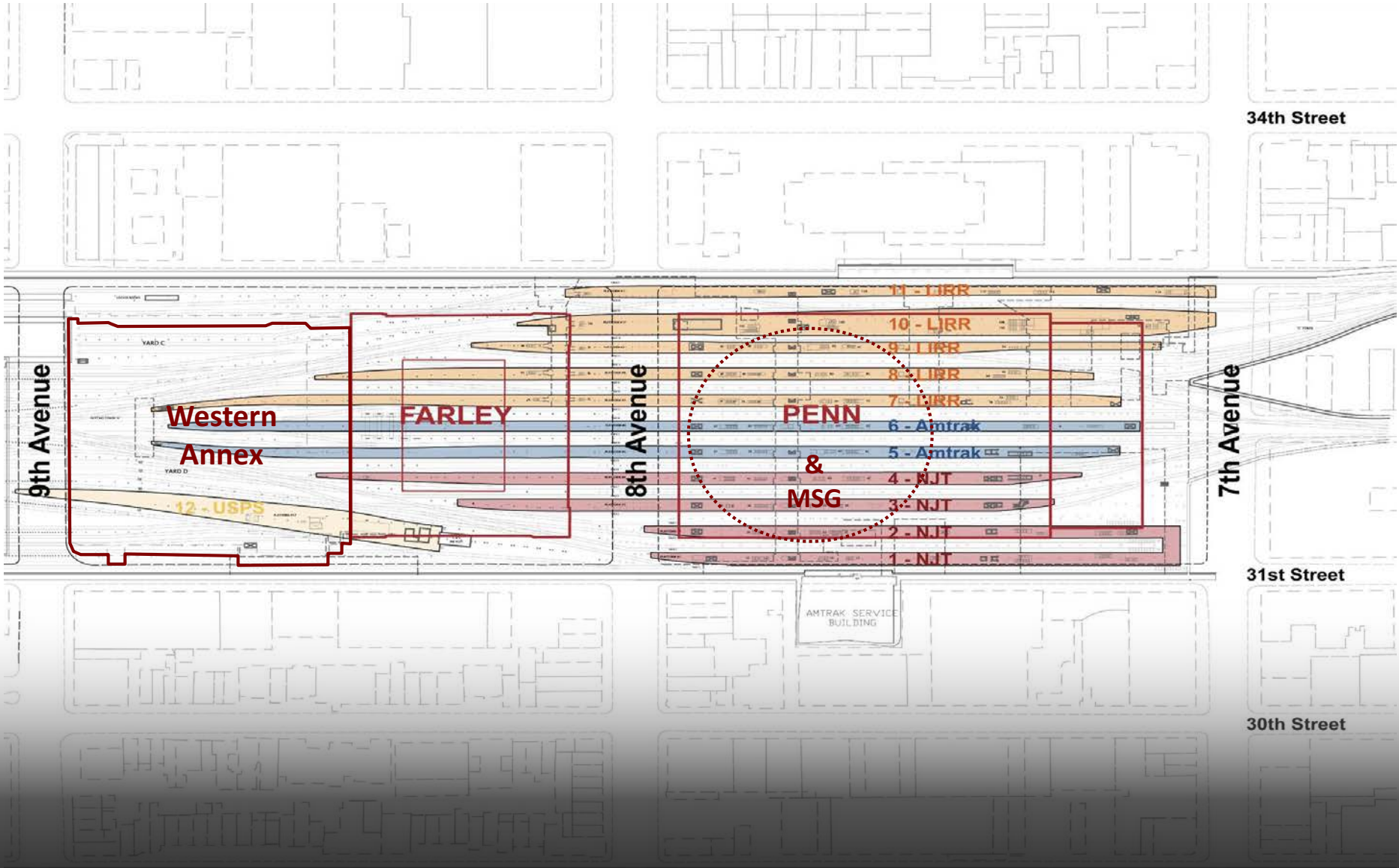
Growth Projected to Increase

- Gateway Project
- Metro-North RR Service (all 3 busiest commuter railroads)
- West Side Development

Penn Station: From

1. Hudson Yards
(17 million SF)
2. Manhattan West
(5 million SF)
3. **Moyনিহান Train Hall**
4. Penn Station
5. Gateway Project
6. 7-Train Extension





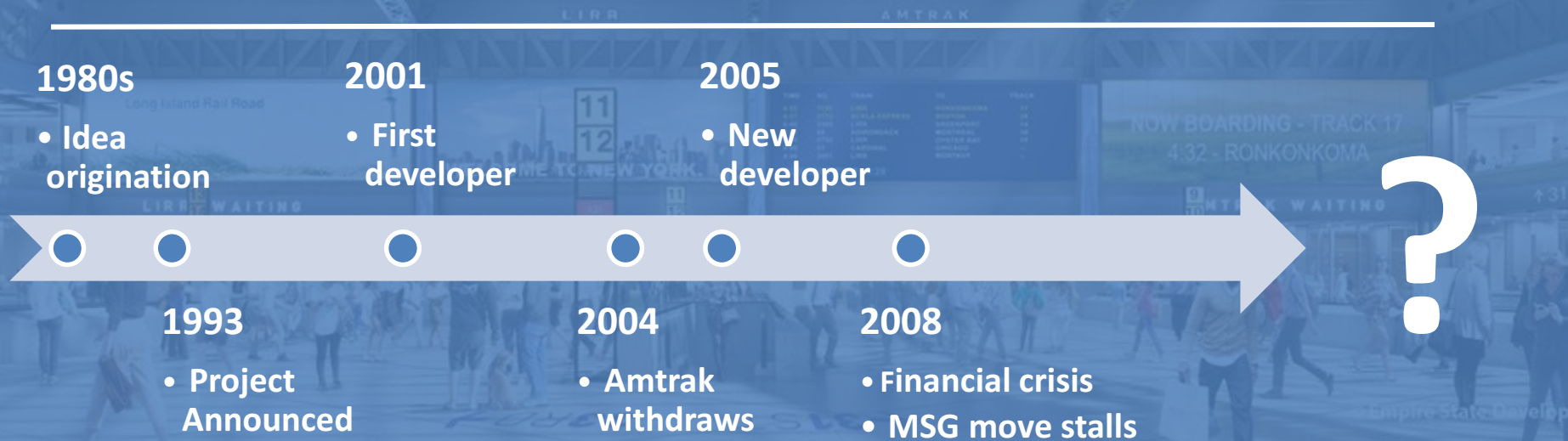
Penn Station Track & Platform Diagram

Key Project Benefits

- **Increase concourse space**
 - Expands concourse space by 50%
- **Increase vertical circulation**
 - Adds 30 new escalators, elevators and stairs from platforms
- **Improve passenger experience**
 - Expands the First Class lounge 6 fold, provides natural light
- **Allow for future ridership growth**
 - First step to renovating and expanding Penn Station
- **Connect Midtown to Far West Side**
 - 24 million sq. ft. in development
- **Create world-class rail gateway to New York City**

II. Challenges of a Mega-Project

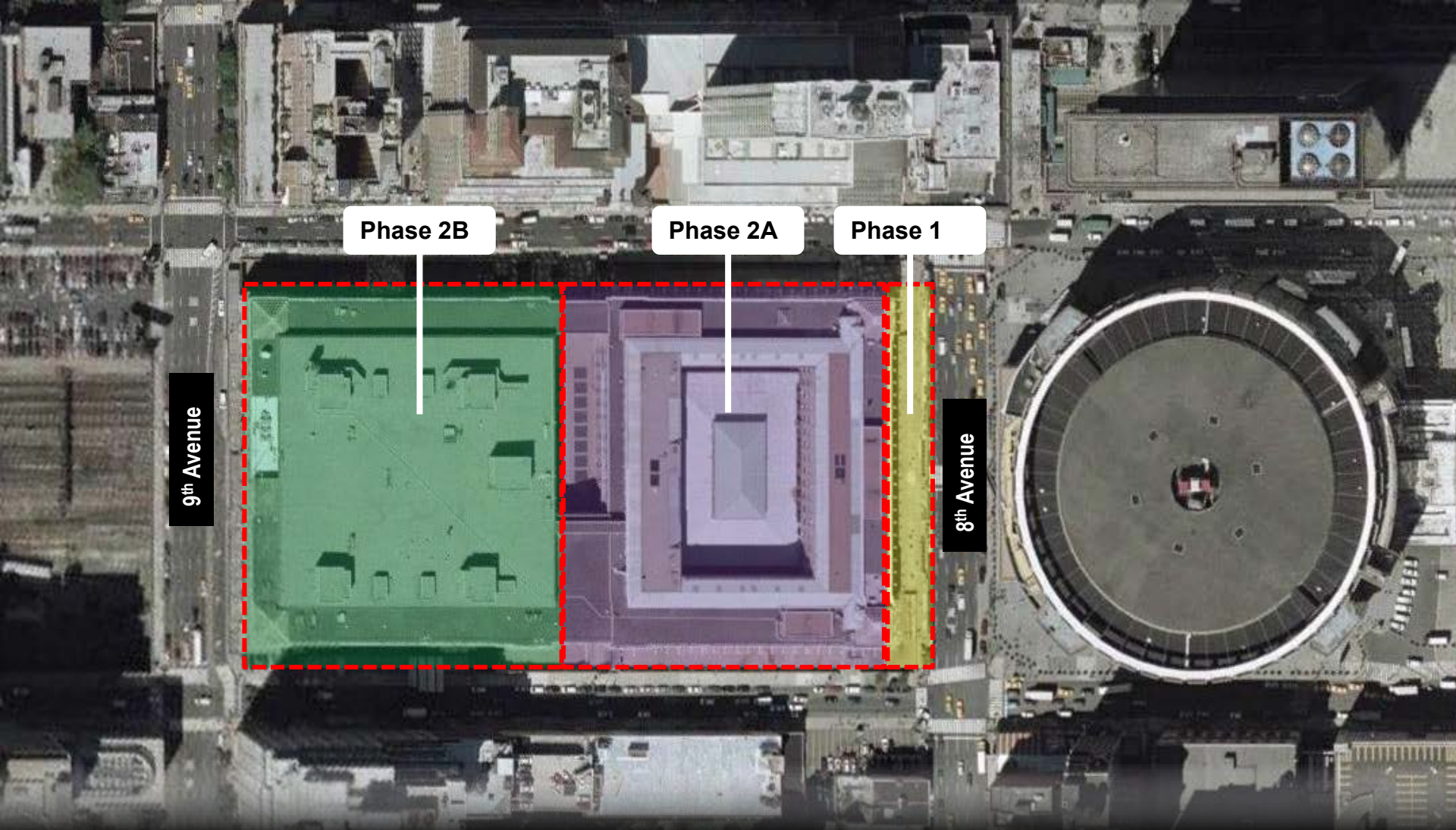
- Technical Complexity & Cost
- Multiple overlapping jurisdictions
- Timeframe



Our Approach

- Multiple discreet & achievable phases
- Innovative but realistic financing
- Project delivery structure flexibility





Phase 2B

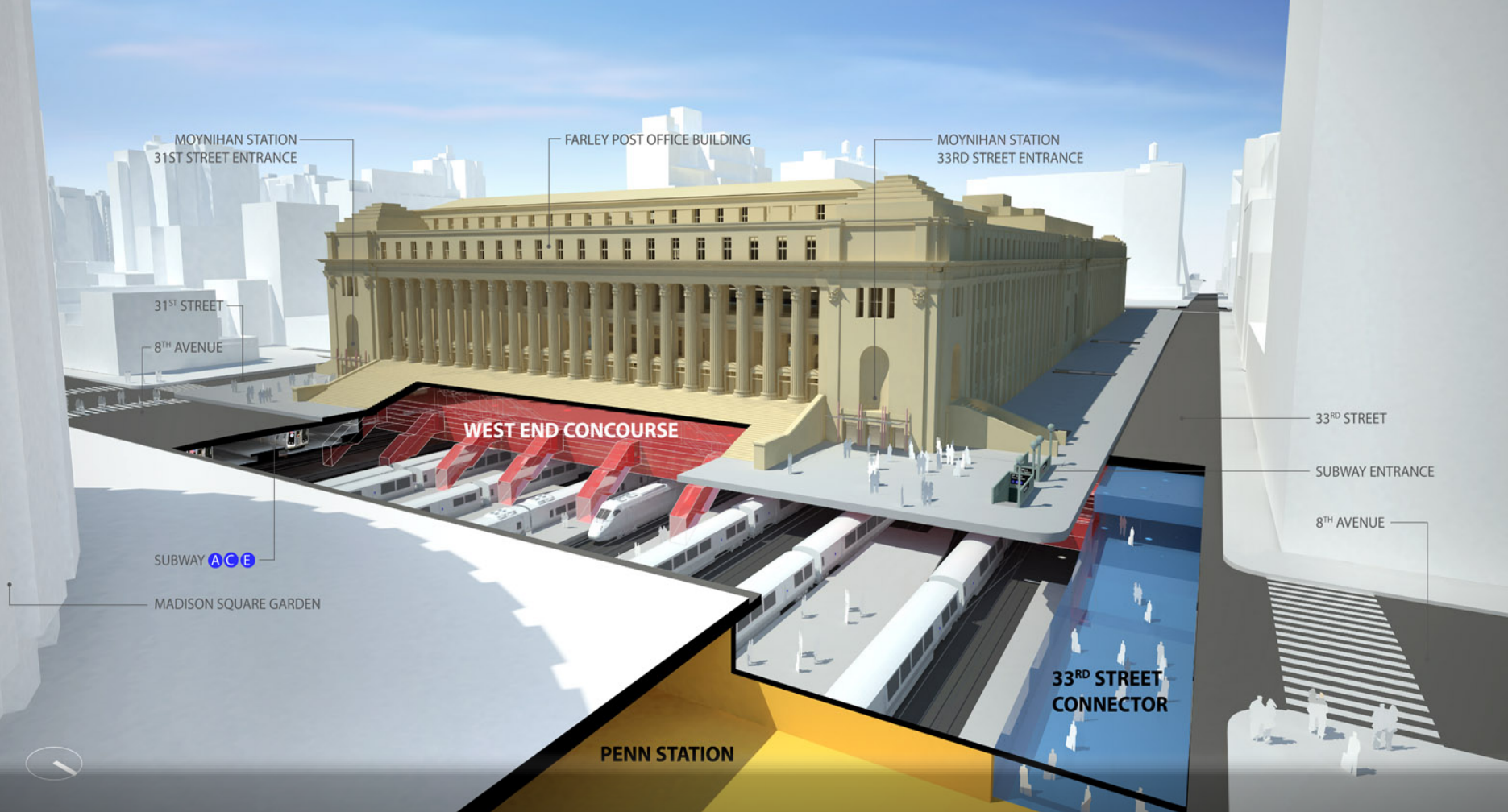
Phase 2A

Phase 1

9th Avenue

8th Avenue

Multiple Phases



Phase 1 — \$315 million

- Expanded West End Concourse
- Vertical Access: Faster Loading + ADA Accessibility
- New Entrances and Enhanced Connections



Phase 2 — \$1.6 Billion

- Moynihan Train Hall (250,000 SF):
 - 50% increase in floor space from Penn Station
 - Features iconic skylight
- Commercial Development (750,000 SF): Retail and Office
- Improved Accessibility
- Historic Restoration



LIRR

AMTRAK

Long Island Rail Road

11
12

WELCOME TO NEW YORK.

TIME	NO.	TRAIN	TO	TRACK
4:33	1103	LIRR	RONKONKOMA	17
4:33	1103	WHLA EXPRESS	WESTPORT	18
4:33	1300	LIRR	WESTPORT	14
4:33	65	WINDYBARK	WESTPORT	16
4:34	1701	LIRR	WINDYBARK	15
4:34	17	CARDINAL	CHICAGO	...
4:34	101	LIRR	WINDYBARK	...

CURRENT TIME: 4:28

NOW BOARDING - TRACK 17
4:32 - RONKONKOMA

LIRR WAITING

11
12

AMTRAK WAITING

9
10

31

35RD
KAST

BUILDING TODAY FOR A BETTER TOMORROW

UNVEILING THE NEW
**Pennsylvania Station/
Farley Complex**



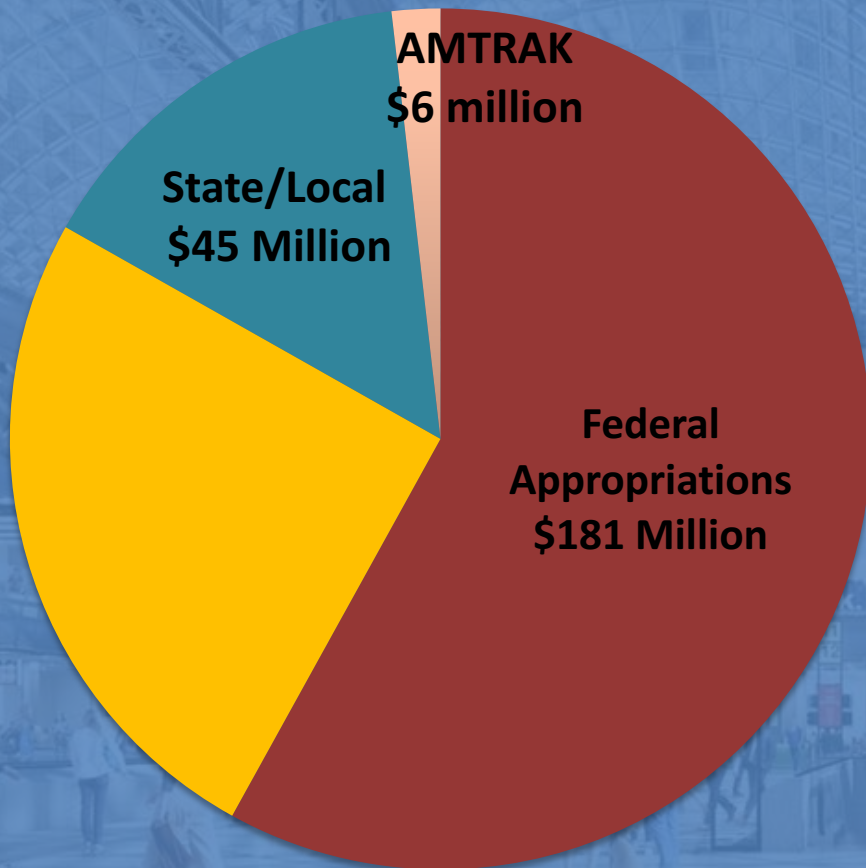
BUILDING TODAY FOR A BETTER TOMORROW

- Sep. 2016** Preferred bidder selected
- Q4 2016** Early work begins
- Q1 2017** Financial close & start of major construction
- Q4 2020** Substantial completion

III. Plan of Finance

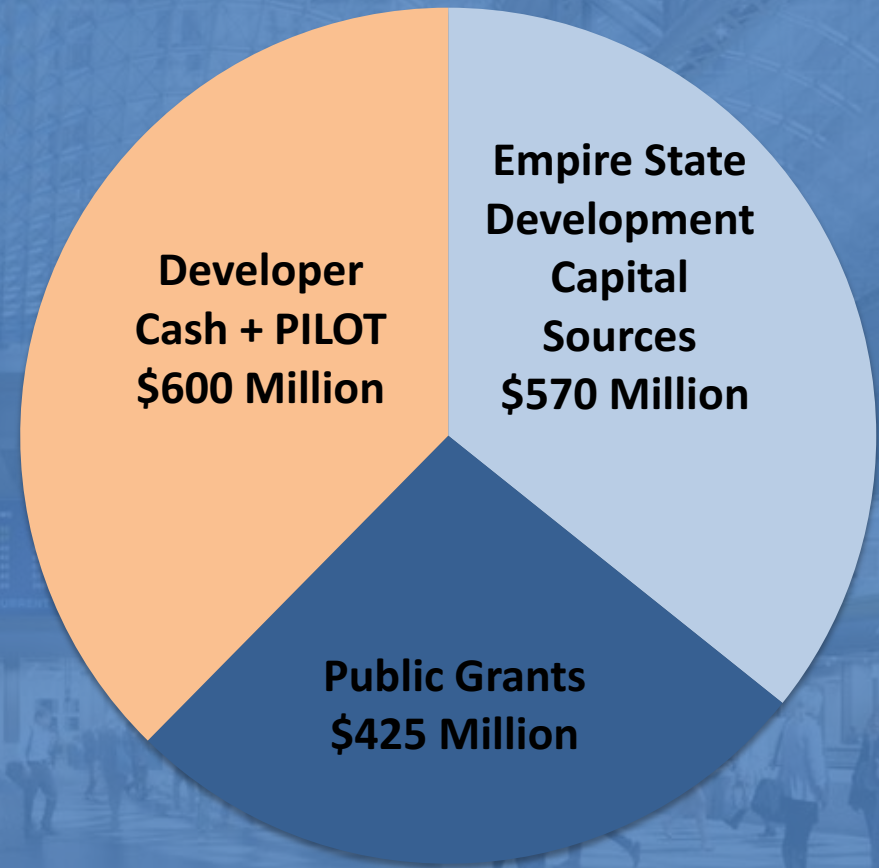
Phase 1

Federal and Local Grants
\$315 Million



Phase 2

Public-Private Partnership
\$1.6 Billion



P3 Value Capture

- Upfront payment for 99-year master lease
- Financing against payment-in-lieu-of-taxes (PILOT)
 - TIFIA
 - Tax-exempt bonds
- Integrated Project Delivery
 - Private developer for commercial and public project elements

Benefits of P3

1. Private sector construction management expertise--schedule and budget accountability
2. Alignment between passenger experience and retail development
3. Operations & maintenance (O&M) scale and efficiency



Designated Developer Team

SKANSKA

RELATED

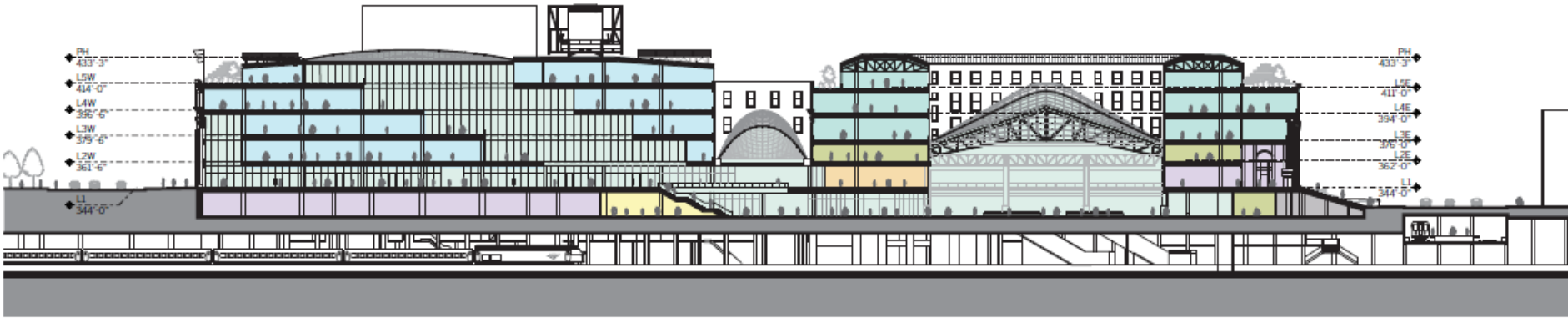
VORNADO
REALTY TRUST





Commercial Development in the Farley Building

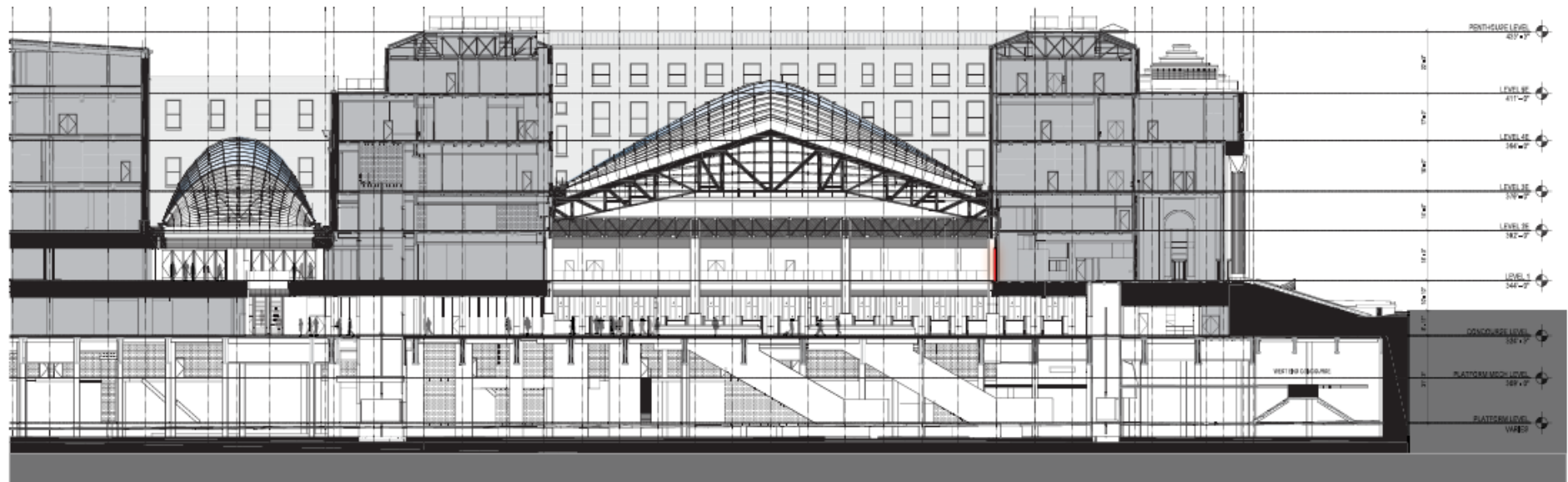
- 112,000 SF of retail
- 588,000 SF of TAMI office space (tech, advertising, media, information)



9TH AVENUE

TRAIN HALL COMPLEX | SECTION

8TH AVENUE



TRAIN HALL | SECTION

PILOT Financing Vehicles

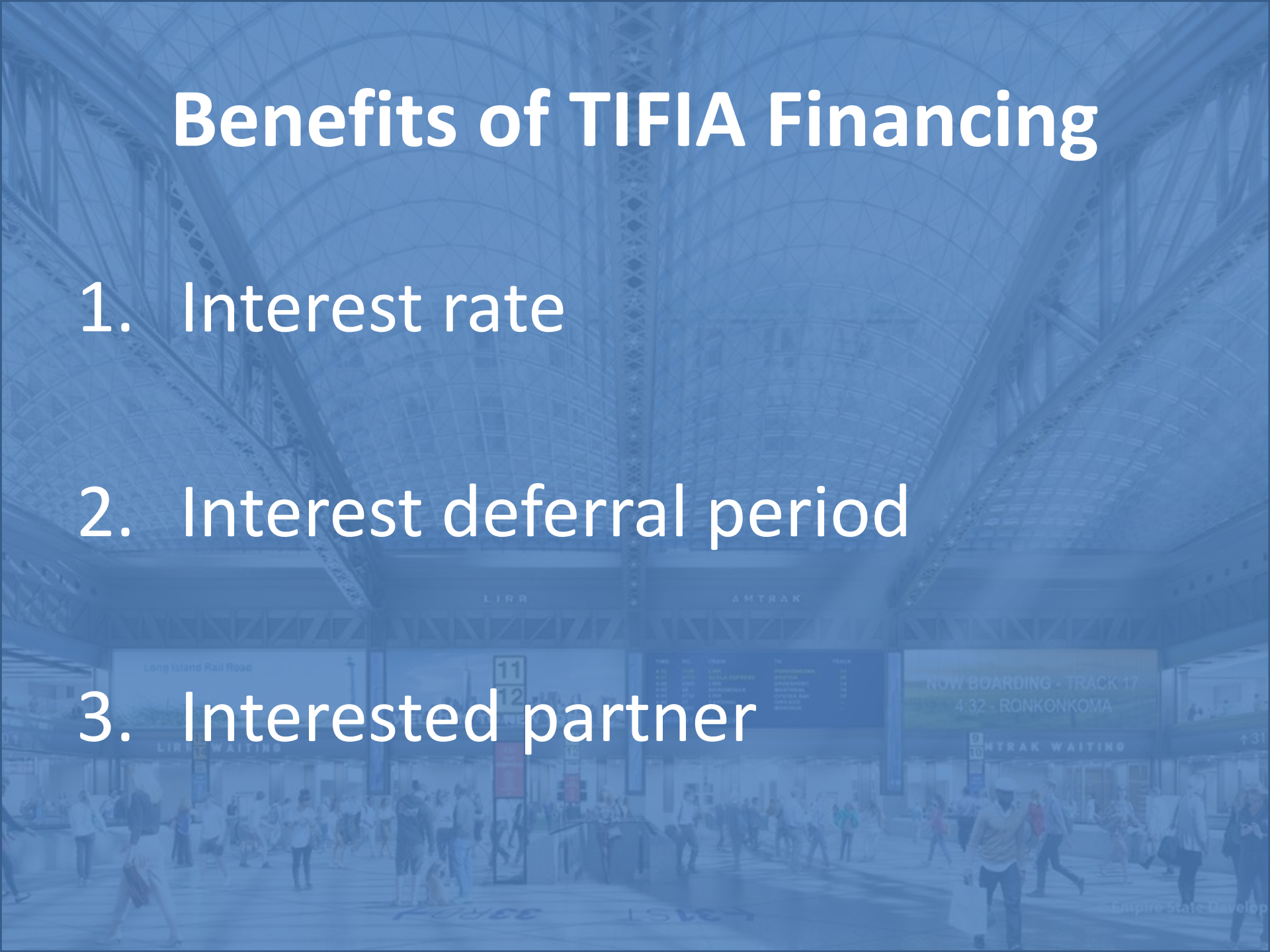
- Tax-exempt bonds
- Private activity bonds (PABs)
- Railroad Rehabilitation & Improvement Financing (RRIF)
- Transportation Infrastructure Finance and Innovation Act (TIFIA)

Benefits of TIFIA Financing

1. Interest rate

2. Interest deferral period

3. Interested partner



Conclusion

- Distinct, achievable project phasing
- Innovative project financing, combining traditional federal, state and local funding with value capture mechanisms
- Adaptability of project delivery vehicles to meet overall project objectives, including project sponsor and railroad needs, construction timing, long-term O&M commitment and risk transfer goals

2016

FRA Rail Program Delivery

Meeting

Thank you!