

## OPINION

# The Penn rehab plan is dead, bring it back to life

By Tony Simone  
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The state's controversial plan to revamp Penn Station has hit some major roadblocks. The plan promises to fund renovations to the transit hub by razing buildings and granting developers, primarily Vornado Realty, unprecedented development rights around the station to reconstruct entire blocks. This would be [one of the largest real estate developments in the U.S.](#): adding 18 million square feet of mostly office space.

But there are two gigantic problems with that gargantuan plan: the work-from-home shift has nearly obliterated demand for office space; and [Vornado itself is in no rush to build the actual buildings.](#)

Then of course there is the pesky problem of arithmetic. So far, the public has yet to see how this scheme will actually yield adequate revenue to make the improvements needed at Penn — even if the towers go up and they are filled.

Meanwhile, [independent financial analysts have concluded that the financing will come from taxpayers](#), not the revenue from the proposed development. That's because relying on property taxes generated by these buildings — again, to be built by a developer who has said itself that these towers aren't coming any time soon — is a shoddy and deficient financial plan to say the least.

Finally, there's the approval problem; the state doesn't have it. Despite the state Empire State Development Corp.'s decision to move forward on this plan for the area and station's redevelopment, the state Public Authority Control Board, which gives the green (or red) light to public authority spending, has said it will not approve the full proposal without a more convincing financing plan and additional funding from New Jersey and the federal government.

All of that is why, three years after former Gov. Cuomo began rolling out his plan for Penn, every local elected official representing the Penn Station area has now either suggested, asked or demanded that the state change its plan, including Sen. Chuck Schumer's recent call for Gov. Hochul to compromise.

Such baffling intransigence in the face of obvious defeat would be almost comical if it wasn't irresponsible. Everyone agrees the area and the station are desperately in need of an upgrade. And every day the state pretends a plan is alive and kicking, like "Weekend at Bernie's," is another day we lose that could have been a productive step toward an urgent goal.

Even worse, if we do not retrench and put forward a feasible plan for fixing Penn in the near future, we could lose access to billions of dollars in federal money available for a short time under the Bipartisan Infrastructure Act.

Thankfully, there's a solution: The governor can declare what we all already know, that this financing plan is dead and continue with the initial improvements already happening now by maintaining the flow of state funds toward immediate work at the station. We in the Legislature could then authorize bonds to pay for the work without relying on future property tax revenue from new development. By taking those steps, the state will position itself to tap into federal infrastructure dollars that could cover up to 80% of the total project costs. The time is now to bring in our heavyweights on the federal level to guarantee the most important infrastructure project of the century is fully funded.

Also, by ditching this real estate deal in search of a transit plan, the governor can put forth a new transit plan that actually puts riders first. For instance, MTA Chair Janno Lieber supported a concept called through-running at the station when he was asked about it at a state budget hearing earlier this month. Known as a "one-seat ride", through-running trains run between regions and through the city center. If we're taking a once-in-a-century stab at making Penn Station great for the next generations, we must include improvements at the platform level.

Additionally, the current development plan offers a measly 648 units of affordable housing, not all of which are even guaranteed. Why not use this opportunity to substantially increase the city's housing stock at a time when there is a brutal affordability crisis? That's a plan [the community could rally behind](#).

Last century, our leaders failed us when they destroyed the great former Penn Station and left us with something far less grand and far less fair to New Yorkers. This is the moment to fix that mistake, not repeat it.

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