

Plan B for Fixing Penn Station Would Wrap Madison Square Garden in Glass

The previous proposal to help pay for the renovation of the station, which could cost up to \$10 billion in state funds, has been shelved.

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Gov. Kathy Hochul is weighing alternatives to previous plans to renovate Pennsylvania Station.

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A year and a half after Gov. Kathy Hochul [championed](#) a plan to help fund the renovation of Pennsylvania Station by allowing the construction of up to 10 towers around the transit hub, that proposal has been mothballed, and an alternate project has emerged as a possible front-runner to replace it.

The proposal from a subsidiary of the Italian firm ASTM Group calls for the construction of a rectangular glass station around Madison Square Garden. The Garden would be covered in aluminum and steel, and two new light-filled train halls would replace the notoriously cramped and dark station — all of which could be completed by 2030, the firm has said.

Ms. Hochul, who has indicated that she is open to alternatives to the state's partnership with Vornado Realty Trust — the firm expected to lead redevelopment around the station — has not publicly weighed in on the new proposal, but it has piqued the interest of elected officials and local community groups.

The governor is not obliged to pick an alternative proposal, and Vornado officials say they hope to continue with their agreement. While the Vornado plan has been abandoned in the short-term, it could be revived if economic conditions improve.

At the same time, Ms. Hochul has begun weighing fallback options and has said she will find a way to redo Penn Station with or without Vornado. A spokeswoman for Ms. Hochul declined to comment.

The new proposal has the benefit of not being tied to revenue from the flagging office tower market. The scramble to find an alternative plan to fund an overhaul of Penn Station became more pressing in February after Vornado [pumped the brakes on the project](#), citing economic uncertainty brought on by the pandemic.

Steven Roth, Vornado's chief executive, said on a call with analysts that the prospect of new construction in the city was "almost impossible" because of tight lending conditions. Revenue from the towers, part of an 18-million-square-foot proposal reliant mostly on the leasing of new office space, was to help fund the [up to \\$10 billion](#) state share of the Penn Station renovation.

The new proposal is being spearheaded by two well-connected political operators: Patrick J. Foye, a former chief executive of the Metropolitan Transportation Authority and a former executive director of the Port Authority of New York and New Jersey; and Peter Cipriano, a former senior infrastructure adviser to Elaine Chao, the transportation secretary during the Trump administration.

Mr. Foye now works as chief executive of ASTM North America, a subsidiary of the Italian infrastructure firm that specializes in public-private partnerships, and Mr. Cipriano is the group's senior vice president.

Both men have spent much of March marketing their proposal to elected officials and civic leaders in the Penn Station area, and MSG Entertainment, which operates the Garden, said it is open to the plans, according to sources familiar with the talks.

"As we've said, we are always open to discussions," said an MSG spokeswoman. "As invested members of our community, we are deeply committed to improving Penn Station and the surrounding area, and we continue to collaborate closely with a wide range of stakeholders to advance this shared goal."

To build a grand, street-level entrance for the new Penn Station, ASTM would demolish the Theater at MSG, a 5,600-person venue near the Eighth Avenue side of the complex. The Madison Square Garden arena itself would be surrounded by a roughly 90-foot-tall glass podium designed to mirror the dimensions of the Beaux-Arts-style James A. Farley Building across the street.

Inside, the Eighth Avenue hall would have 55-foot ceilings above the new passenger concourse and a mix of retail and waiting areas and possibly a homeless outreach center. All 21 tracks would be accessible from the new halls, with additional staircases, elevators and escalators.

A new mid-block train hall, which would abut an office building at [2 Penn Plaza](#), would be wrapped in a 100-foot-tall glass enclosure, creating a sunny arcade for pedestrians moving between West 31st and 33rd Streets.

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“Our team has developed a game-changing plan to fully deliver on Governor Hochul’s new vision for a reimagined Penn Station that is iconic, spacious, accessible, and full of light and air,” while improving functionality, a spokesman for ASTM said in a statement.

ASTM has said its cost projection will not be ready until June — when it had been planning to unveil the proposal — but has argued the project will cost significantly less than the original plan. Proponents of the new proposal add that it would not prevent Vornado, which would remain a large landowner in the Penn Station district, from developing the area in the future.

The company and its equity partners would pay for the upfront costs of construction and any cost overruns. They would then manage and operate the station for 50 years, according to people familiar with the proposal. Amtrak, which owns the station, and the Metropolitan Transportation Authority and New Jersey Transit, its biggest users, would repay ASTM over time, relying on their own capital resources as well as federal funds.

“Amtrak looks forward to hearing more from ASTM and their proposal for Penn Station as part of the project development process for Penn Reconstruction,” said a spokesman for Amtrak.

ASTM has retained HOK, the architecture firm that codesigned La Guardia Airport’s widely lauded Terminal B. The project’s supporters have been circulating a 32-page slideshow with HOK’s renderings of the new Penn Station, which one recipient shared with The New York Times.

The proposal is gaining momentum.

Richard Ravitch, a former lieutenant governor of New York, said he urged Ms. Hochul to adopt it during a lunch meeting in February, two days after Vornado acknowledged it was halting most of its plans for the Penn district. Ms. Hochul seemed “open” to the proposal, he said.

The plan has already won support from State Senator Leroy Comrie, the chair of the committee on corporations, authorities and commissions and a vocal critic of the prior plan. It is unclear what, if any, formal approvals this proposal would require.

“I did like the plans that I did see,” Mr. Comrie said. “They were detailed, and I think they can quickly get approval so we can get the federal funding.”

State Senator Brad Hoylman-Sigal, whose district includes the area around Penn Station, also viewed the presentation and called it “intriguing,” in part because of the involvement of HOK.

The demolition of the Theater at MSG would free up substantial room for the train hub below, which is crowded with structural columns that disrupt the passage of commuters, said Elizabeth Goldstein, the president of the Municipal Art Society, a nonprofit preservation group that was briefed on the plans. The group supported [a similar overhaul](#) of the train station in 2014.

But it would not solve all of the station’s problems, Ms. Goldstein said. The plan doesn’t add train capacity, nor does it address congestion issues on the Seventh Avenue side of the station, where pedestrians exit the subway, she said. Historically, most passengers have entered the station from the east, not the west, though redevelopment of Manhattan’s Far West Side may alter that.

The plan could also run into opposition from the M.T.A., which Ms. Hochul controls, but where the chief executive, Janno Lieber, exerts strong influence. “We look forward to a full briefing on these concepts,” said John J. McCarthy, the authority’s chief of external relations. “However, we remain concerned that the proposal, as described so far, lacks key elements of the master plan agreed to by Amtrak, New Jersey Transit and M.T.A. — especially the introduction of natural light and major new entrances on the Seventh Avenue side, which serves over 70 percent of M.T.A. customers at Penn Station.”

A spokesman for New Jersey Transit said the agency looked forward to learning more about the proposal. “Our primary focus is ensuring that any plan meets the needs of New Jersey Transit customers today, and the capacity demands of tomorrow, through both the renovation and expansion of Penn Station New York,” he said in a statement.

Some critics are skeptical of the ASTM financing structure. John Kaehny, the executive director of Reinvent Albany, a watchdog group, said that public-private partnerships are not necessarily the most cost-effective route, because governments typically have access to lower interest rates. The cost of capital for such partnerships “is always going to be higher than the government’s,” he said.

But Penn Station, the proponents’ argument goes, is an unusually Balkanized space. Its many users — Amtrak, New Jersey Transit, the Long Island Rail Road and, soon, Metro-North Railroad — represent several camps that are often in conflict with one another.

While other proposals to rebuild Penn Station have been floated, most are contingent on the demolition of Madison Square Garden, which sits on top of the labyrinthine train hub, has deep political connections and will strongly resist any move.

Tom Wright, president of the Regional Plan Association, said the new proposal circumvents that problem. “This shows that it’s possible to build a really great station that works for commuters without moving the Garden,” he said.