

Private Firm Announces Competing Vision for Penn Station Redesign

In a move that has stoked conflict with the Metropolitan Transportation Authority, a private developer unveiled a renovation plan that it says would save at least \$1 billion.



By [Stefanos Chen](#) and [Dana Rubinstein](#)

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A private developer announced a plan to redesign Manhattan's Pennsylvania Station that it says would be cheaper than a proposal backed by the M.T.A. Credit...ASTM/PAU/HOK

A private development firm with an alternative vision for the remaking of Manhattan's Pennsylvania Station said on Wednesday that its plan would be significantly cheaper than a rival proposal backed by the Metropolitan Transportation Authority.

The new plan by ASTM North America involves overhauling Penn Station, the busiest train hub in the United States, and wrapping Madison Square Garden in a towering stone facade. Its unveiling occurred days after Gov. Kathy Hochul of New York signaled that the state was ready to move forward with a renovation.

ASTM officials said at a presentation on Tuesday that the firm's plan was better than the one backed by the M.T.A. because it would be \$1 billion cheaper and result in a more unified train hall.

The announcement was likely to stoke conflict between ASTM and the M.T.A., whose chief, Janno Lieber, [said in April that the plan was wasteful](#), in part because it involved paying the owners of Madison Square Garden, which sits atop the station, a hefty fee to demolish a portion of the complex.

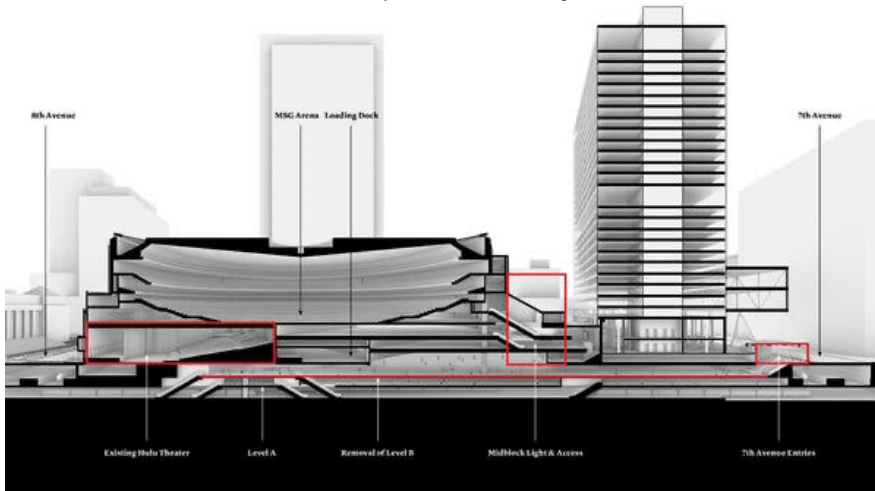
Although Amtrak owns the building, the decision on which redesign plan to pursue was expected to be made jointly by the railroad and the states of New York and New Jersey, which control the M.T.A. and New Jersey Transit.

Civic leaders have been calling for a new Penn Station since at least the 1990s, when the former Senator Daniel Patrick Moynihan [proposed](#) converting the old James A. Farley Post Office building across Eighth Avenue into a train hall. That idea became a reality under former Gov. Andrew M. Cuomo, but it has done little to alleviate the crowded and dreary conditions at Penn Station itself. Efforts to renovate the train hub have been stymied by the presence of an arena on top of it, and for years officials have clamored for the Garden to relocate, to little effect.

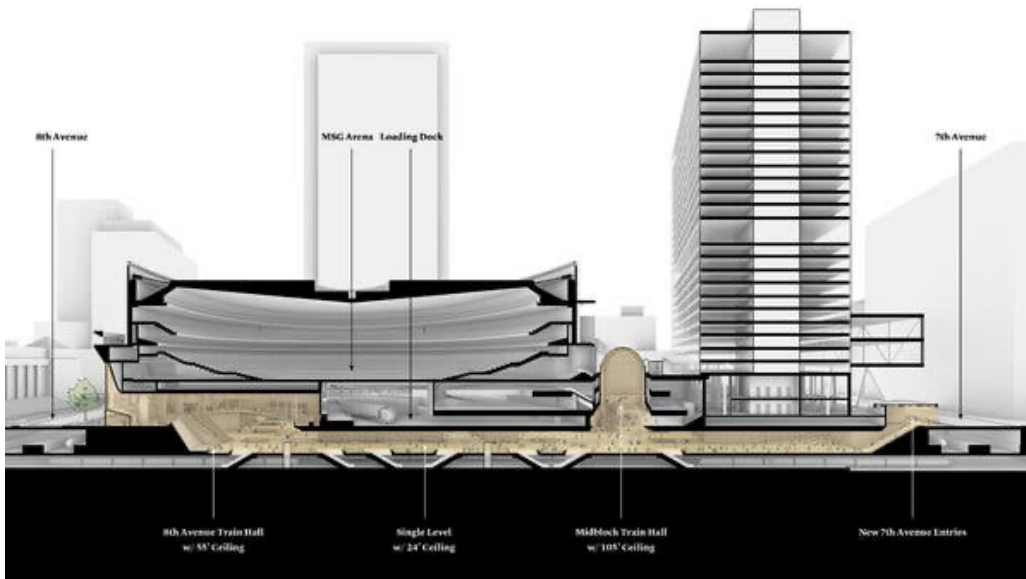
Although other plans to renovate Penn Station have been proposed and then discarded over the years, unable to overcome bureaucratic and political hurdles, several city and state officials and leaders of influential nonprofits have signaled support for ASTM's proposal. The bulk of any renovation would be funded by state and federal tax dollars.

Responding to the M.T.A.'s criticism, Peter Cipriano, the senior vice president of ASTM North America, said at a presentation on Tuesday that his firm's proposal would be less expensive and that there was a clear plan to pay for it.

"Theirs is \$7-billion-plus, and where the money for that comes from is completely unclear," he said, referring to cost estimates for the M.T.A. plan, which have been as high as \$10 billion. The ASTM proposal would involve buying and demolishing the Theater at MSG, a 160,000-square-foot venue on the west side of the entertainment complex, to make way for two new, light-filled train halls: a grand entrance on Eighth Avenue with 55-foot ceilings and a 105-foot atrium in the middle of the block where trucks currently offload equipment. The renovation would provide easier access to all 21 tracks, reduce congestion and allow for additional track capacity in subsequent upgrades. Construction could be completed in six years, the firm said.



The new proposal has been criticized as wasteful by the Metropolitan Transportation Authority, which supports a different plan. Credit...ASTM/PAU/HOK



But the private developer, ASTM North America, has countered that its plan would cost less and create a more cohesive train station. Credit...ASTM/PAU/HOK

ASTM would put up \$1 billion to kick-start the project and rely on a mix of state and federal funding to cover the balance. The firm would then manage and operate the station for 50 years, while the three rail agencies that use the space — Amtrak, New Jersey Transit and the M.T.A. — would pay a total of about \$250 million a year for the privilege. Any construction cost overruns would be borne by the private company.

The cost to buy the Theater at MSG would be under \$500 million, Mr. Cipriano said. In the ASTM plan, Madison Square Garden Entertainment, which is run by the billionaire James Dolan, would also pay to renovate the distinctive drum of the Garden.

[The plan was revealed in March.](#) The design team, led by PAU and HOK, the architectural firm that codesigned La Guardia Airport's lauded Terminal B, has since made several changes.

Gone is the glassy box that would have surrounded MSG, replaced with a contemporary neoclassical podium of limestone or granite, with lines that mirror the Corinthian columns of the Beaux-Arts Farley Building across the street.

Demolishing the theater would not only create space for a dramatic new entrance, but also free up room for an alternate truck loading plan that is crucial for the flow of traffic, Vishaan Chakrabarti, the creative director of PAU, said.

"This can't be dismissed as cosmetic," he said.

The M.T.A. plan would accomplish many of the same goals, with the exception of a new entrance at Eighth Avenue, which the agency has called unnecessarily costly, because the majority of passengers use the Seventh Avenue entrance. The M.T.A. has estimated that the total cost of constructing the Eighth Avenue train hall would be \$1.5 billion to \$2 billion.

The ASTM plan is less expensive in part because the design would not remove a critical structural bridge between Seventh and Eighth Avenues. The removal could add more than \$1 billion to construction costs, Mr. Chakrabarti said.



The bulk of any renovation will be funded by state and federal tax dollars.Credit...ASTM/PAU/HOK

Jamie Torres-Springer, the president of M.T.A. construction and development, said rebuilding the mid-block bridge was important to the agency's plan.

ASTM also worked closely with engineering firms familiar with the intricacies of the Garden. Mr. Torres-Springer said that the M.T.A. was not interested in paying for engineering details it already had.

"It's very funny — every proposal, large and small, from ASTM involves paying MSG money," Mr. Torres-Springer said.

[On Monday](#), Ms. Hochul officially jettisoned a plan that had called for [building 10 skyscrapers](#) near the existing Penn Station to help finance a new train hub. She announced the start of a preliminary design process that is expected to culminate in the state's bidding out a contract for the project's completion.

The timing of her announcement did not seem coincidental: It occurred just days before ASTM was expected to unveil the financial details of its own plan.

The decision to move forward without the tower component came as no surprise. The 10-tower plan, which Ms. Hochul inherited from Mr. Cuomo, involved the development of millions of square feet of office space at a time when the commercial market is foundering and borrowing costs are high. Vornado Realty Trust, the developer that was to build those skyscrapers, [paused its plans in February](#).

Ms. Hochul said she was "open-minded about all of the possible scenarios," which appeared to create an opening for ASTM. She made the announcement standing next to Mark Levine, the Manhattan borough president, who has [effectively endorsed](#) the ASTM plan, and Anthony Coscia, the Amtrak chairman, whose railroad is open to the idea. A spokesman for Amtrak declined to comment for this story.

But the ASTM plan is roundly opposed by Mr. Lieber, the chief executive of the M.T.A., who has bristled at the notion that a private company would insert itself into a process he had been managing.

He and his team have pointed to the station's new Long Island Rail Road corridor as evidence that the M.T.A. is capable of overseeing major projects competently, and he has taken issue with the notion of paying Madison Square Garden Entertainment to acquire the Theater at MSG.

Madison Square Garden Entertainment has indicated openness to the ASTM plan. It has appeared to be less open to the M.T.A.'s proposal.

During a [recent hearing](#) about the Garden's bid to have its stadium operating permit renewed [in perpetuity](#), an MSG representative dismissed the M.T.A.'s plan as "a concept piece" that "does not work from an engineering perspective."

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