

What happened to renovating Penn Station?

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*A year after New York leaders pledged to move quickly on a major renovation of Penn Station, there have been scant updates and persistent tensions between the MTA and a rival developer.
Photo by Buck Ennis*

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A year ago, the hottest transit question in New York was how to renovate Penn Station. As politicians and developers squabbled over competing proposals, there was one thing almost everybody agreed upon: It was vital to act fast.

“We’re no longer tolerating delays,” Gov. Kathy Hochul said at a June 2023 press conference at the Midtown rail hub. She vowed to press ahead with the state’s \$7 billion project to transform the station into a single-level facility with a wide-open entrance hall, even as she shelved a plan to pay for it by permitting new skyscrapers.

Rail-friendly President Joe Biden’s presence in the White House promised a good shot at securing federal funding. But Metro-North trains were set to arrive at Penn Station starting in 2027 as part of a separate project, leaving little room for a big renovation. In the governor’s view, New York had a “narrow window” to rebuild the station, her office wrote in a confidential memo to local elected officials in the lead-up to the June event.

But more than a year later, that sense of urgency seems to have dissipated, with little public word from either the state or Italian developer ASTM, whose renovation plan had garnered significant support.

Multiple state lawmakers told *Crain's* it has been months since they received any significant update on the project from the governor's office, and Hochul has yet to follow through on a suggestion that she might open up the process to proposals from private developers instead of leaving the plan in the hands of the Metropolitan Transportation Authority, which would rely on public funding. Meanwhile, Hochul's last-minute suspension of congestion pricing, the funds from which could be funneled toward the upgrade, and a failed first attempt at winning federal aid have deepened questions about the project's financial viability.

State Sen. Liz Krueger noted that work has been ongoing, albeit more behind the scenes than last summer's public announcements. She pointed to recent progress on repairs and renovations to the underground parts of the station that connect with subway exits, such as raising the ceiling height and addressing fire safety issues.

"Everybody likes to focus on the grandeur that's possible with the ground level," Krueger said. "What's crucial is that they're moving forward with the underground part of it." But others who cheered last year's talk now say they are worried.

"It feels like our chance to do something truly grand is slipping away," said Manhattan Borough President Mark Levine. "I don't want to wait yet another decade for transformation."

Changes at ASTM

State leaders have clamored for years to renovate Penn Station, the nation's busiest rail hub, where some 600,000 daily commuters navigate a warren of corridors buried below Madison Square Garden. Besides improving the passenger experience, officials say, the renovation is also necessary to reduce crowding and improve safety. (These changes are separate from the longer-term plan to expand Penn's rail capacity by building new platforms, which might require bulldozing a nearby city block.)



Office of Gov. Kathy Hochul

Gov. Kathy Hochul gathered Manhattan officials at Penn Station in June 2023 and vowed quick progress on a Penn Station renovation, even as the state "decoupled" the plan from a related idea to permit new office towers on surrounding blocks.

The ASTM plan, the only significant idea put forward by a private developer, generated [lots of buzz](#) last year thanks to a mix of aggressive lobbying and clever designs. The firm's \$6 billion proposal shared the state's vision of a grand train hall but notably differed by proposing to purchase and demolish the Theater at Madison Square Garden to make way for an Eighth Avenue entrance to Penn.

And unlike the state plan, which would rely on public funding, ASTM wanted to pay for its project through a public-private partnership in which the developer would put up the money and then be repaid by the government.

But ASTM's momentum seems to have stalled since then, and the company itself has gone through changes in recent months. Patrick Foye, a former MTA chief who lent the plan credibility as ASTM's CEO, departed the company at the end of 2023 and now works for an investment firm, according to his LinkedIn profile. (Foye did not respond to a request for comment.)

As a result of other internal changes, New York-based construction firm Halmar International is now leading the Penn project, a person familiar with the organization said. The company is a subsidiary of ASTM and is run by CEO Chris Larsen, a major donor in local politics.

Peter Cipriano, a former federal transportation official who has spearheaded the Penn proposal as Halmar's executive vice president, said in a statement that the company remains ready to act. However, doing so would require Hochul to open up a process for developers to submit proposals — something she appeared to hint at last year, when she said the state would be "open now to any architect, any design firm, any engineer, to allow them the opportunity to compete for a position."

"As soon as a process for selecting a master developer kicks off, we will be ready to respond," Cipriano told *Crain's*.

But [the ASTM-Halmar plan](#) has been hindered by hostility from the MTA, which could stand to lose some authority over the renovation if a private developer entered the picture. MTA officials disparaged the ASTM plan last year as a waste of money and a giveaway to Madison Square Garden — and emails obtained by *Crain's* through a public records request shed more light on the tensions among the developer, the transit agency and Hochul's office.

In March 2023, hours after details of the ASTM proposal were leaked in a *New York Times* article, Jamie Torres-Springer, the president of MTA Construction & Development, asked ASTM executives if they would "care to share" their design package with the MTA before a meeting scheduled for the next day.

"It just seemed to me if you were sharing it with the NY Times and many other stakeholders that I have hear[d] from that it would be appropriate to share it with the MTA," he wrote in an email.

Cipriano forwarded the exchange to Nivardo Lopez, Hochul's former deputy secretary for transportation, and called Torres-Springer's complaints "a bit silly."

"Obviously the [Executive] Chamber is in receipt of our deck and he will see and receive it tomorrow after declining many opportunities for meetings," Cipriano wrote.



Courtesy of ASTM, PAU and HOK

A rendering of the Eighth Avenue train hall proposed by the Italian developer ASTM in its Penn Station plan. The plan is now being led by the company's U.S.-based subsidiary, Halmar International.

Months later David Weinraub, a top Albany lobbyist who was hired by ASTM to promote its bid, vented his own frustrations to Karen Keough, Hochul's personal secretary, who is known to have the governor's ear. In a June 28 email that came a day after MTA CEO Janno Lieber publicly [criticized](#) the ASTM plan as a bailout for the Garden, Weinraub called Lieber's comments "outrageous, especially in light of the fact that we have never, ever had an opportunity to present our plan to him, you or the Governor."

"You want details? Put out a real RFP for a master developer," Weinraub continued in his missive to Keogh. "For Janno to shit on us and MSG takes away any opportunity for a fair competition even if there was one put forward."

A year later some public officials still think highly of the ASTM-Halmar plan, although Krueger indicated the developer had exaggerated the sense of urgency around its proposal. She said ASTM felt it was in its best interests to build up momentum, so that is what the firm tried to do.

"Look, I like their design plan. It's pretty," Krueger said. "But I'm not sure 'pretty' is the ultimate target of what we need to do."

Grant troubles

The MTA has had its own bumpy ride when it comes to progress on Penn Station. In June 2023, when Hochul announced she would "decouple" the renovation from the plan to build office towers around it, her office explained that it would make up for the loss of funding by applying for a [federal grant](#) to advance design work.

But that \$100 million grant request was rejected by the Federal Railroad Administration later that year, a setback that the MTA said little about at the time. In July 2024 the MTA applied again for a grant — this time, a \$96.7 million request in which the federal government would cover 75% of the cost.

The latest application reflected the progress on design that had been made and also expanded on project development, Sean Fitzpatrick, deputy chief of staff at MTA Construction & Development, told *Crain's*. The state's design plan has been led by the architect FXCollaborative and engineering firm WSP USA.



Photo by Buck Ennis

Hochul's suspension of congestion pricing and the MTA's failed first attempt at winning federal funding have deepened questions about the financial viability of a state-led renovation of Penn Station.

The MTA would not provide an update to *Crain's* about the overall status of the design. In July 2023 Torres-Springer told the City Council that the state would have its design 30% done within a year, at which point Penn Station's three railroads would decide how to hire a builder.

The congestion pricing factor

Virtually all theorizing about Penn Station's future was scrambled in June, when the governor [abruptly halted the congestion pricing program](#) that was supposed to serve as a linchpin for the MTA's future finances.

The ramifications of that are still being felt, but it seems all but certain to further complicate the already fraught process of trying to improve the station.

Multiple state lawmakers and transit advocates said they expect that the governor's abrupt about-face on congestion pricing will further delay any meaningful action at the station, given that it has already forced the MTA to reevaluate every other major project in its capital budget.

But at least publicly, the agency has signaled no changes. At a July meeting Torres-Springer said Penn renovations may still be a key part of the agency's upcoming capital plan for 2025 through 2029 — if the new bid for federal funding is successful.

"We are still looking at and working hard on the future of Penn Station," he said. "Provided that that funding comes through, we'll be moving that Penn Station modernization project forward in the next plan."

But Hochul's reversal on congestion pricing also may have shattered trust in the governor among transit advocates and Manhattan politicians who had supported the toll. Her willingness to back away from one politically difficult transportation project might not bode well for Penn Station, some say.

Matthew Gorton, a spokesman for the state's construction arm, Empire State Development, said in a statement that Hochul "remains committed to her vision for a new and improved Penn Station, anchored by thousands of new homes, seamless access to transit, and major improvements to the surrounding streets and sidewalks."

Oddly enough, some people sympathetic to the ASTM-Halmar project believe the congestion pricing pause works in the developer's favor. With the state short on cash, offloading the project to a private company may seem more appealing.

"One of the benefits of a [public-private] process," said Tom Wright, president of the Regional Plan Association, "is it doesn't rely on large capital dollars from public entities."

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