



TRANSIT ORIENTED RE-DEVELOPMENT USING P3 MODEL

AMTRAK'S APPROACH TO P3's

JITI RAILWAY WORKSHOP | December 5, 2017

Rina Cutler, Amtrak Sr. Director, Major Station Planning & Development

Amtrak is Ready To Build Major Station Development



Chicago Union Station (CHI)
2016 Ridership: 3.2 million



What is a P3?

A Public Private Partnership involves the public and private sector partnering together to share the **risk and rewards** of developing, **constructing, financing, operating,** and **maintaining** assets and deliver projects **faster, on budget, and at an enhanced value for money** to the owner.

Driving the need...

- Aging infrastructure and growing demand for new infrastructure assets
- Pressure on funding sources
 - Slower revenue growth
 - Resistance to tax increases
- Constraints on debt capacity and traditional financing approaches
- External pressure to upgrade asset base
- Cost overruns and delays in traditional procurements
- Need to accelerate capital plans

Meeting the need...

- Risk transfer to the private sector
- Access to additional sources of finance
- Private sector discipline and innovation
- Whole-life costing approach allows greater innovation and sustainability
- Output-based specification, means public sector gets what it wants
- Lenders are tied to asset performance
- Contract terms and financial returns are established upfront
- Competitive tension provides value to owner
- Infrastructure is an attractive investment class

Project Risks and Delivery Options

Projects can be procured under a range of delivery models, each with a different level of risk allocation between parties

The delivery model defines the roles of public and private sectors as well as how project risks are shared

	Project Aspect:				
Delivery Model	Design	Construction	O&M	Financing	Demand
Design-Bid-Build (Traditional)	○	○	○	○	○
Design-Build	●	●	○	○	○
Design-Build-Operate-Maintain	●	●	●	○	○
Design-Build-Finance-Operate-Maintain (Availability Payment)	●	●	●	●	○
Design-Build-Finance-Operate-Maintain (Concession)	●	●	●	●	●

Key:

○ Public sector responsibility ● Private sector responsibility

Delay Events

Compensation
Events

Force Majeure
Events

Liquidated
Damages

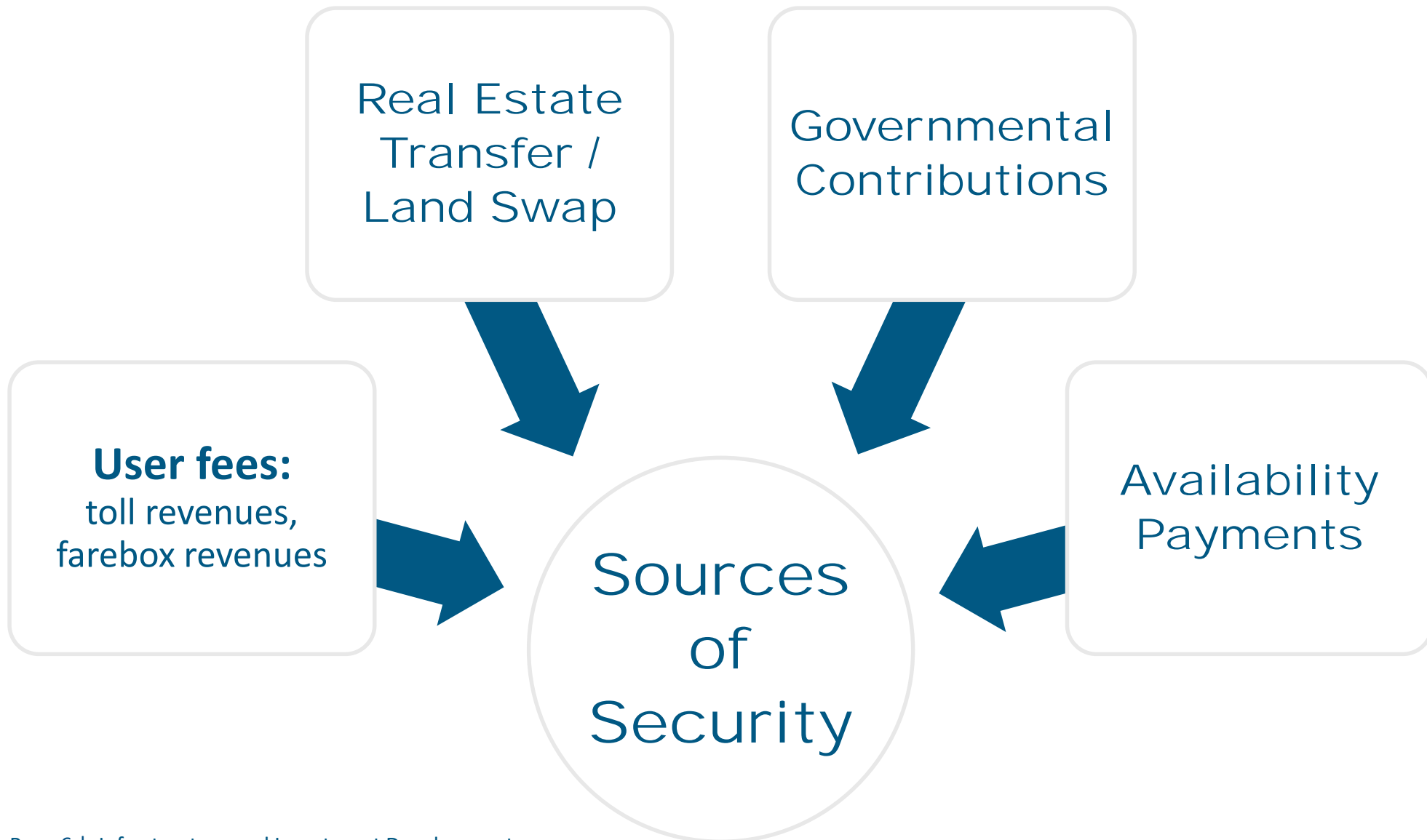
Defaults and
Remedies

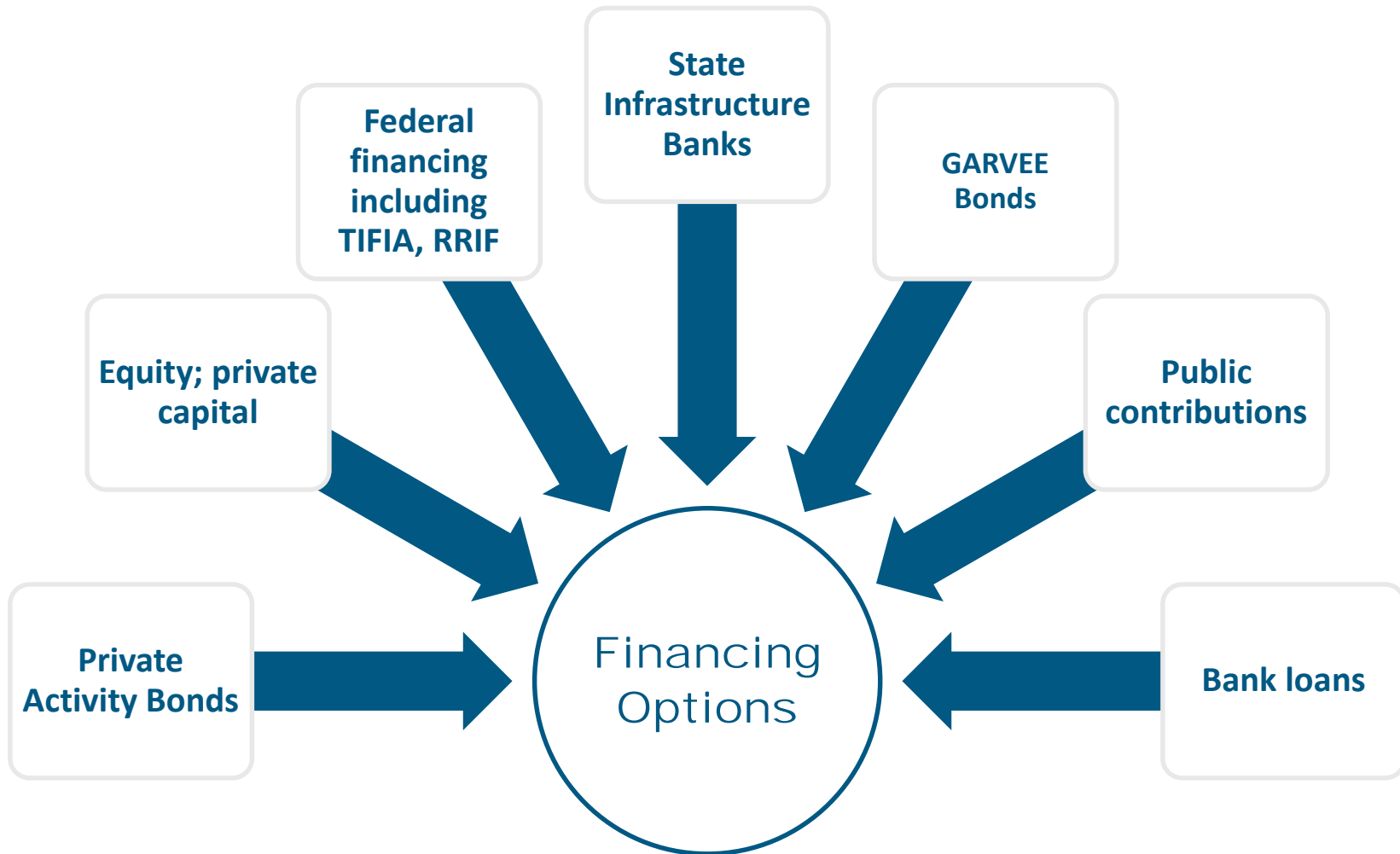
Termination

Competing
Projects

Change Orders/
Directive Letters

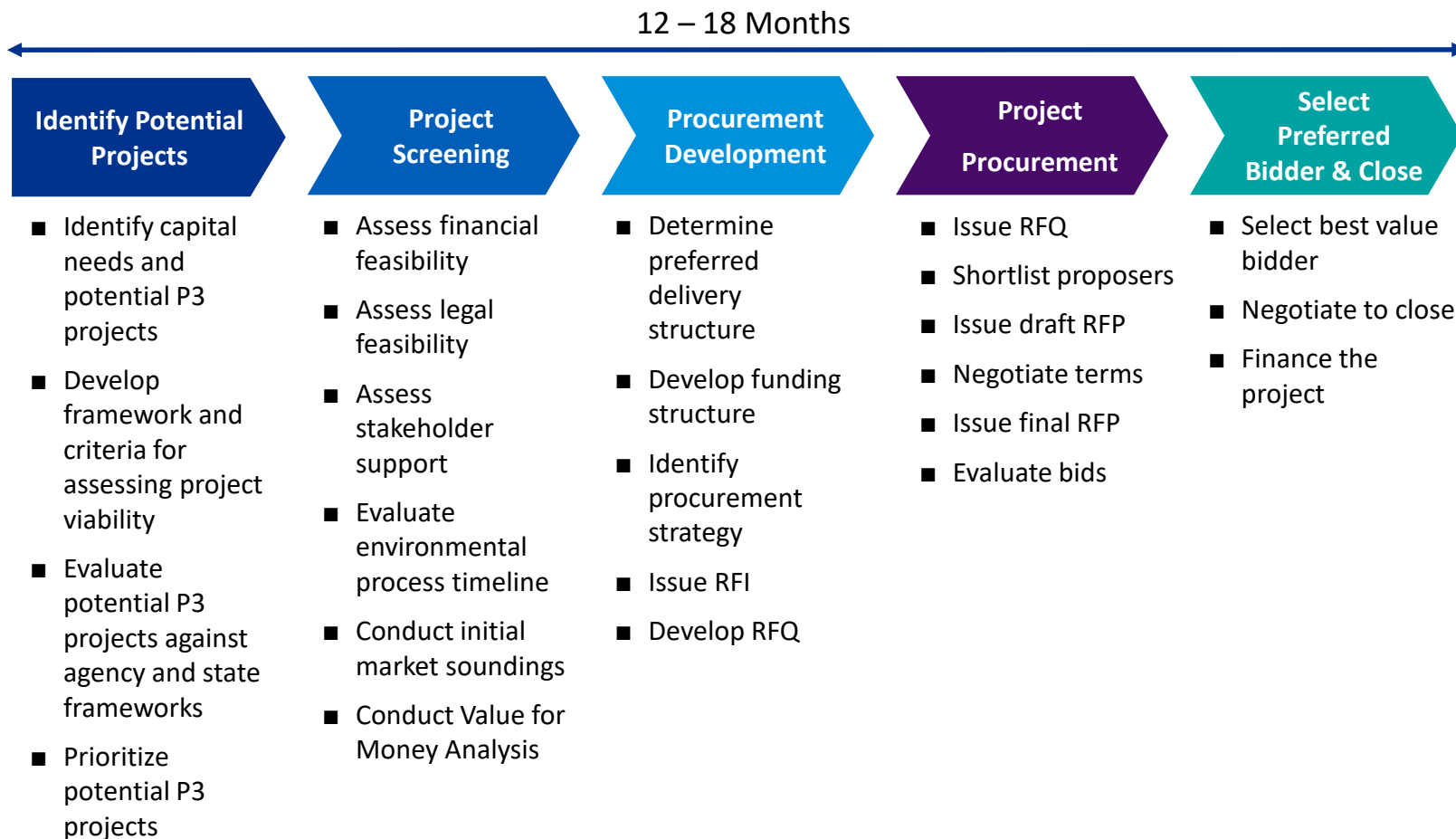
Handback





Stages of the P3 Process

The policy, planning and procurement phases of a P3 can be broken into the following stages:



P3 Keys to Success

- Clear project champion & authority for P3 delivery
- Good project governance framework
- Detailed business plan with clear goals and strong project justification
- Optimal risk allocation for project
- Funding available to cover long-term operations and financing
- Stakeholder support & communication
- Pick your partner carefully



AMTRAK'S REVENUE GROWTH INITIATIVE

AMTRAK OVERVIEW

CONNECTING COMMUNITIES



Amtrak serves more destinations than the airlines – if we were an airline we'd be the 5th largest. These connections are critical to communities and the economies they rely on.

AMTRAK: STEWARDS OF A NATIONAL PORTFOLIO OF ASSETS



- ✓ Owns and operates over 2 million square feet of mixed-use station properties.
- ✓ Uses over 6 million square feet of maintenance facilities.
- ✓ Occupies approximately 1 million square feet of office space, both owned and leased.
- ✓ 134 station construction projects totaling \$100 million and \$5 billion under design.
- ✓ Majority of Amtrak ownership is concentrated along the busy Northeast Corridor from Boston to Washington, DC.

REVENUE GROWTH INITIATIVE

LEVERAGING ASSETS FOR REINVESTMENT



AMTRAK MAJOR STATIONS

PLANNING AND DEVELOPMENT



Amtrak reviewed opportunities in and around five stations: Chicago Union Station, NY Penn Station, Baltimore Penn Station, Washington Union Station and 30th Street Station in Philadelphia.



NEW YORK PENN STATION

#1 busiest Amtrak Station

- 10.5 million passengers
- \$1 billion ticket revenue
- 1,055,000 SF of building area

WASHINGTON UNION STATION

#2 busiest Amtrak Station

- 5.1 million passengers
- \$552 million ticket revenue
- 1,268,000 SF of building area
- 31.0 acres of land

PHILADELPHIA 30TH STREET STATION

#3 busiest Amtrak Station

- 4.3 million passengers
- \$300 million revenue
- 1,140,200 SF of building area

CHICAGO UNION STATION

#4 busiest Amtrak Station

- 3.2 million passengers
- \$196 million ticket revenue
- 1,329,000 SF of building area

BALTIMORE PENN STATION

#8 busiest Amtrak Station

- 1.0 million passengers
- \$92 million ticket revenue
- 91,000 SF of building area

FY 2016 Ridership and Ridership Revenue

Major Stations Planning and Development seeks to improve stations and their surrounding areas to maximize the experience for all users, however, while there are some similarities between the stations, there are also differences.

Station Planning

- Master Planning
- Master Development Program

Real Estate Market

- Hot
- Warm
- Cool

Assets/Ownership

- Station
- Concourses
- Adjacent land parcels and structures

Political Support (Local, State, Federal)

- High
- Medium
- Low

Partnerships

- Public agencies
- Private agencies

Design

- Transportation connectivity
- Public infrastructure
- Placemaking
- Civic open space
- Neighborhood identity

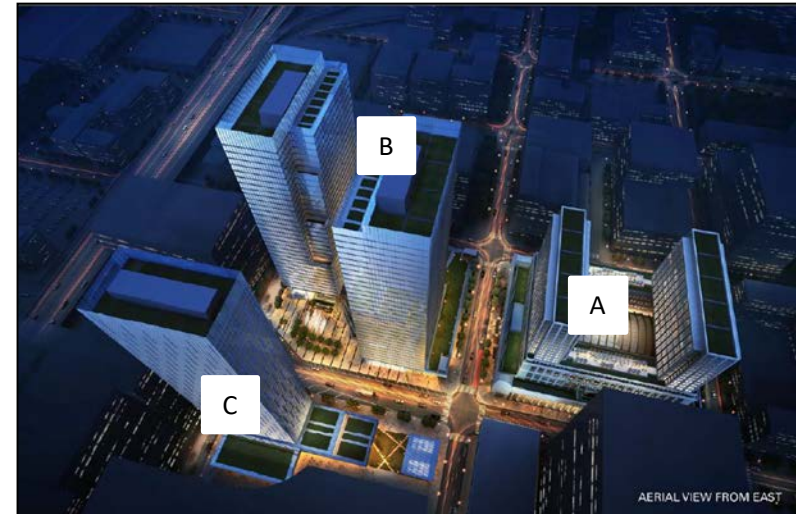
Planning



Summary: Chicago Department of Transportation (CDOT) completed the Chicago Union Station Master Plan study in 2012. This study identified potential concepts for expanding tracks and platforms, as well as opportunities for improving passenger circulation, accessibility, connectivity and safety.

Status: Phase 1A of the Master Plan, including Planning, Historic Preservation, and up to 30% engineering, is nearly complete. Project partners (Amtrak, City of Chicago, Metra) are working together to identify potential funding sources for final design and construction.

Development



Summary: Attraction of a master developer partner to maximize value of Amtrak's assets at CHI. The master developer program includes the headhouse and headhouse air rights, parking garage site, and air rights over the south trainshed.

Status: Master developer RFI, RFQ and RFP completed. Board approved the selection of Riverside Investment & Development in May 2017. Environmental due diligence underway and master developer agreement is being negotiated.

Planning



Summary:

- BAL is a RRIF loan recipient for the design and construction of a new platform to accommodate new Acela fleet and service plans.
- The Master Developer will develop a station and station area master plan for Amtrak.

Status:

- New platform design is underway; construction completion by 2021.
- Station area master planning process will begin upon execution of the master developer agreement.

Development



Summary: Attraction of a master developer partner to conduct a master planning process, execute station improvements and maximize value of Amtrak's assets at BAL. The master developer program includes the station, station plaza and parking garage, Lanvale lot, West lot, air rights, and sub-surface rights below the REA building.

Status: Master developer RFI, RFQ and RFP completed. Awaiting announcement of selected developer.

Planning

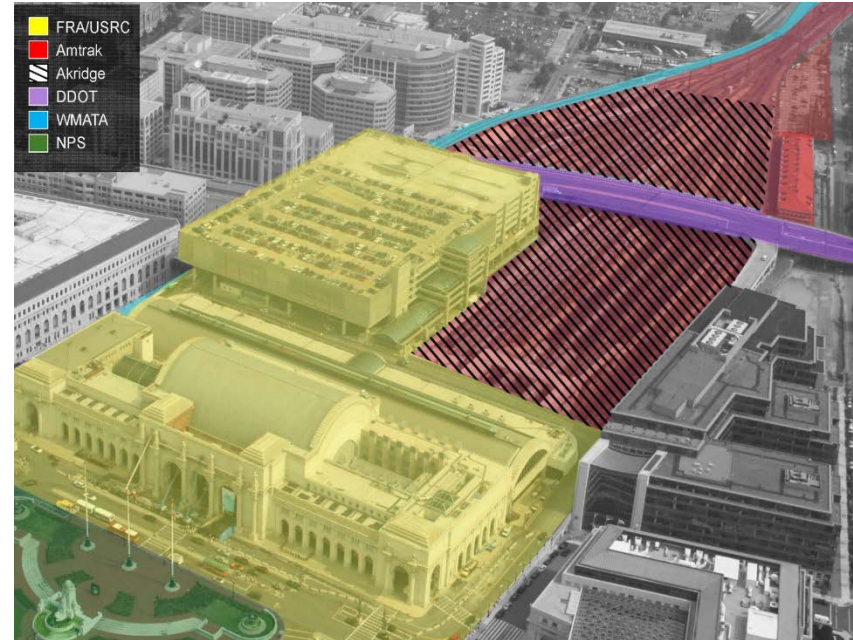


Summary: The Washington Union Station “2nd Century” Master Plan was completed in 2012 and sets a vision for growth that triples passenger capacity and doubles train capacity by modernizing and expanding station facilities over the next 20 years.

Status:

- Design for the Concourse Modernization Project will be complete by 2017; construction to begin Spring 2018.
- A Terminal Infrastructure track improvement plan has been developed and incorporated in the EIS for the long term station expansion. EIS ROD anticipated by end of 2019.

Development



Summary: Long term project which expands the station and reconstructs the infrastructure to meet future capacity and achieve code compliance. Seeks integration with Akridge’s air rights project and its 3 million square feet of development

Status: Currently in the FRA’s EIS process which looks to have a Record of Decision in 2019

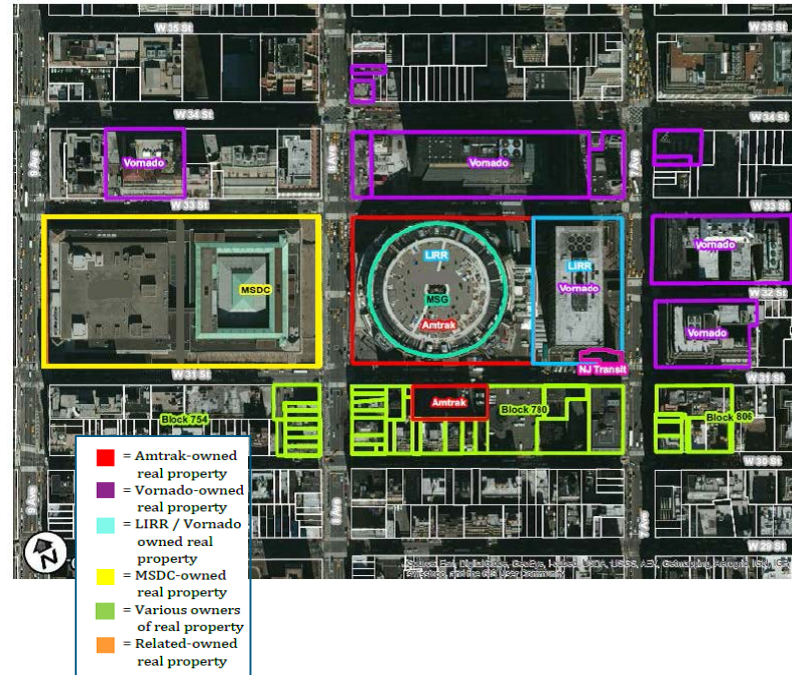
Planning



Program Summary: The Corporate Planning group (Byron Comati) is advancing a continuous improvement program at Penn Station in the interim period before a master planning and development program gets underway; the program includes a refresh of the restrooms, waiting rooms, and ClubAcela. The Major Stations group will initiate a comprehensive station and station area master planning process in coordination with the future master developer RFP.

Status: Station and station area master plan anticipated in 2019.

Development



Program Summary: Amtrak is a partner in a major redevelopment effort to expand its station operations at Penn Station into a new train hall inside the former Farley Post Office called Moynihan Station. This relocation will be accompanied by significant accessibility improvements at the existing Penn Station facility.

Status: Master developer RFP anticipated in 2019.



**CASE STUDY:
PHILADELPHIA 30TH STREET STATION
*A TRANSFORMATIONAL PROJECT***

Philadelphia 30th Street Station



STATION FACTS:

- 3rd busiest station in Amtrak network (more than 11 M passengers in FY 16 including SEPTA and NJ Transit)
- Conveniently located between Washington, D.C. and New York City

REAL ESTATE MARKET:

- Warm

ASSETS/OWNERSHIP:

- Station building, air rights and adjacent parcels

POLITICAL SUPPORT:

- High- Local, State, Federal

DESIGN:

- Transportation Connectivity, Public Infrastructure, Placemaking, Civic Open Space, Neighborhood Identity

KEY PARTNERS:

- City of Philadelphia, Drexel University, PennDOT, SEPTA



Planning

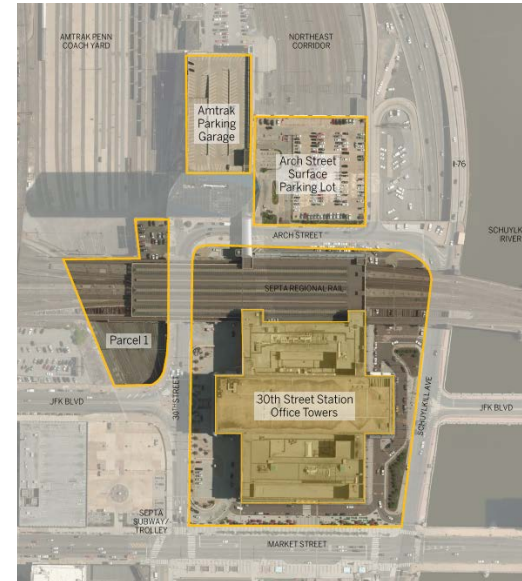


Summary: Comprehensive station & station area master plan known as the 30th Street Station District Plan completed in June 2016. The master plan calls for station improvements to double its capacity and improve the customer experience and 10 million square feet of air rights development over the next 40 years.

Status:

- Conceptual planning and design underway for the master plan concourse expansion projects and for station plaza improvements.
- Penn Coach Yard space programming study is underway to identify the yard's long-term operational needs

Development



Summary: Attraction of a master developer partner to execute station improvements and maximize value of Amtrak's assets at PHL. The master developer program includes the station, Parcel 1, the parking facilities along Arch Street; the air rights above Penn Coach Yard also included as an option for any interested parties.

Status: Master developer RFQ issued August 2017, however subsequently postponed so the City of Philadelphia could include Amtrak sites in its bid for the Amazon HQ. Re-release of the RFQ anticipated early 2018.

THE DISTRICT PLAN: 2050 VISION

GROWING PHILADELPHIA'S FUTURE



THE PLAN ENVISIONS:

- Expansion of 30th St Station passenger facilities to handle double the volume of trips (± 11 million annually in FY14)
- 18 million SF of new private development
- 40 acres of new parks and civic spaces
- New roads and bridges

THE PLAN REQUIRES:

- \$2 billion in infrastructure cost
- \$4.5 billion in associated private investment activity

THE PLAN PRODUCES:

- \$3.8 billion in city and state fiscal benefits
- 40,000 new jobs at full build





**TRANSFORMS THE WAY WE
INTERACT WITH OUR CUSTOMERS**

IMPROVED STATION RETAIL



STATION PLAZA

A GRAND CIVIC SPACE





TRANSFORM THE WAY WE OPERATE OUR BUSINESS

ARCH STREET TRANSPORTATION CENTER

DELIVER A NEW INTERCITY BUS TERMINAL, PUBLIC SPACE + FUTURE NEC TOWER



NORTH CONCOURSE



NEW TRANSPORTATION OFFERINGS TO REANIMATE ARCH STREET AND ANCHOR FUTURE DEVELOPMENT





TRANSFORM THE WAY WE EXPRESS OUR VALUES

WEST UNDERGROUND CONCOURSE

UNDERGROUND PUBLIC CONCOURSE LINED WITH RETAIL



Preliminary. Conceptual image for design intent only.



Gensler



WEST UNDERGROUND CONCOURSE

UNDERGROUND PUBLIC CONCOURSE LINED WITH RETAIL



Gensler

Gannett Fleming



WEST UNDERGROUND CONCOURSE

UNDERGROUND PUBLIC CONCOURSE LINED WITH RETAIL





GENERAL FINDINGS

Once you've done one P3, you've done one P3.

Do your homework

- ✓ Complete a SOGR analysis before issuing an RFP
- ✓ Gather documents early and store on a “shared” depository
- ✓ Seek input from the real estate development community in the early stages of planning to optimize potential development

Funding matters

- ✓ Funding eligibility drives both organizational and financial structures
- ✓ Value Capture can fund a significant portion of public infrastructure costs

Involve the right people

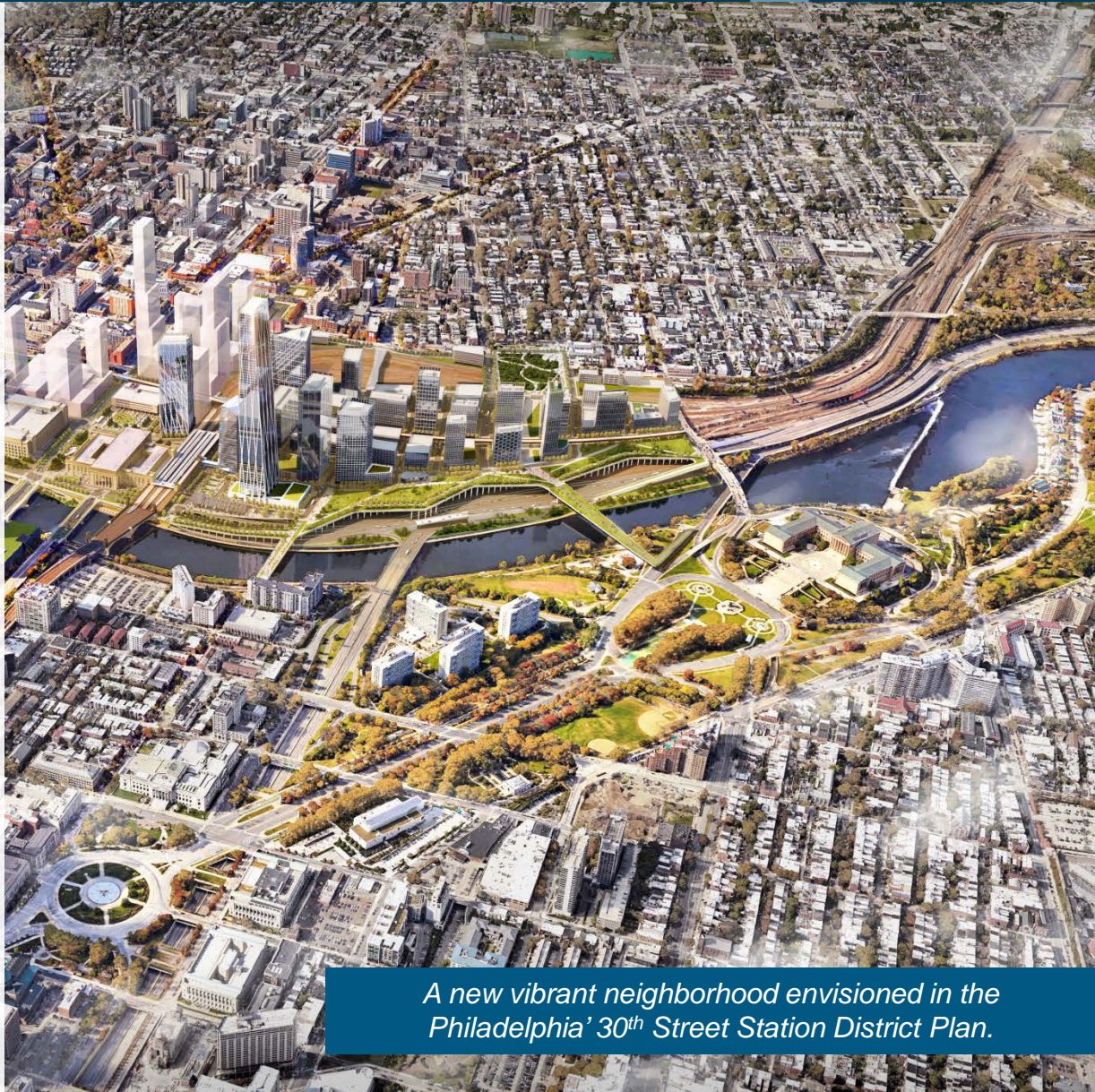
- ✓ Identify POC for working through any issues with developer
- ✓ Identify internal technical reviewers
- ✓ Determine Roles and Responsibilities
- ✓ Governance

CONCLUSION

CHALLENGES AND OPPORTUNITIES



- ✓ Stations are the “living rooms” of those communities we serve.
- ✓ Timing for Amtrak investments at its major stations is opportune.
- ✓ Major transportation hubs can induce substantial private development
- ✓ Finding new revenue sources for infrastructure reinvestment is an economic imperative.
- ✓ There is still need for strong local, state, and federal coalitions to support investment needs.



A new vibrant neighborhood envisioned in the Philadelphia's 30th Street Station District Plan.

A nighttime aerial photograph of a city, likely New York City, showing a complex highway interchange with long-exposure light trails from cars in red, white, and blue. In the background, a large, illuminated classical building with many windows is visible, along with other city lights and a statue in a circular plaza. The image is framed by a dark blue diagonal shape that points towards the bottom left.

THANK YOU FOR YOUR TIME

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