# PRESENTATION: AMTRAK FUNDING STRATEGIES FOR MAJOR STATION DEVELOPMENT:

Funding & Finance

June 22, 2016

# Land Value Capture: Methodologies for determining incremental property tax revenue

As a precursor to today's Terminal Development Initiative (the 5 largest) and Asset Monetization Initiative (ROW and other assets), Amtrak identified sources of potential revenue from property based sources and opportunities for asset monetization at existing stations and proposed NextGen HSR stations. In broad terms, the study:

1. Identified and prioritized land value capture mechanisms at station catchment areas.

2. Forecasted commercial development and other revenues from existing and new NEC facilities.

3. Estimated the potential to fund capital costs for new NEC/NextGen facilities from land value capture mechanisms around station areas

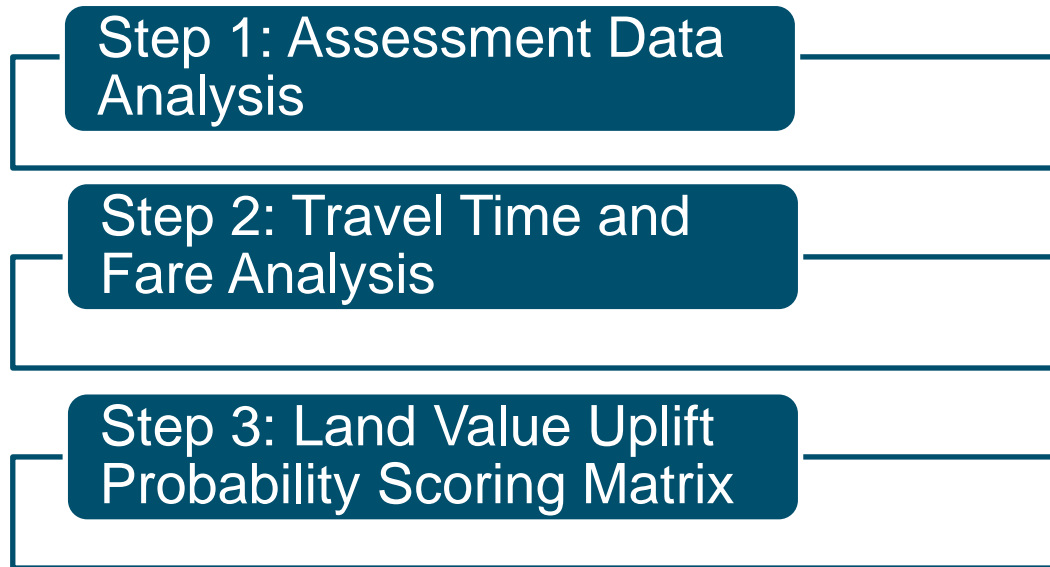**✺AMTRAK®**

# Exploration of Alternative Catchment Areas

The study identified alternative mechanisms for the 25 existing and proposed NEC HSR station catchment areas (defined as up to 800 meters (1/2 mile) from the station), including:

➤ Tax Increment Finance (TIF) & Other Special Assessment Districts

➤ Real Estate Asset Disposition

➤ Station and ROW leasing

➤ Joint (Venture) Development

➤ Density Bonuses

➤ Sponsorship

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# Funding & Financing Model

The study analyzed the potential financial impact for special assessment or TIF districts for each of the station catchment areas.

The study's model utilized current assessment and mill rate data adjusted by variables that are characteristic of positive impact of HSR on property values. Elements of the model included:

Step 1: Assessment Data Analysis

Step 2: Travel Time and Fare Analysis

Step 3: Land Value Uplift Probability Scoring Matrix

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# Funding & Financing Model: Step 1

**Assessment Data Analysis** – For each of the catchment areas, assessment data for each lot was down loaded and multiplied by each municipalities mill rate to get base year property tax revenue.

| Model Spreadsheet Tabs |
| --- |
| Raw Data |
| NYC |
| Stations |
| NY Stations |
| Mill Rates |
| Updated Mill Rates |
| Sorted Low to High Assessments |
| Sorted Low to High Taxes |
| Development Densities |

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# Funding & Financing Model: Step 2

**Travel Time and Fare Analysis** – Based on a review of over 50 studies and articles concerning the impact of high speed rail overseas and commuter rail/transit in the U.S. and Canada, the team developed a scoring matrix for **all NEC stations pairs** that calibrated weighted average travel time and fares.

| Model Spreadsheet Tabs |
| --- |
| Regional (REG) Summary |
| HSR REG Combined |
| Time and Fares 2 |
| Viable Time-Fare Matrix |

| Summary Table | | |
| --- | --- | --- |
| Not Viable (>than the below amount) | | |
| Borderline (in between the two amounts) | | |
| Feasible (<the below amount) | | |
| Travel Time | 120 minutes | 90 minutes |
| Monthly Fare | $1,250 | $600 |

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# Funding & Financing Model: Step 3

**Land Value Uplift Probability Scoring Matrix** – The resulting Travel Time and Fare Analysis score was then used to modify the identified real estate characteristics that are found to be present in station areas that are positively affected by HSR, including:

- ✓ Relative Assessed Values
- ✓ Economic / Market Development Potential
- ✓ Extent / Nature of Developable Vacant Land
- ✓ Public Urban Renewal / Revitalization Plans
- ✓ Private Master Development Plans
- ✓ Nature / Extent of Mobility Hub Plans
- ✓ Nature / Size of Land Ownership
- ✓ City / State Regulatory Environment

The result was a prediction of incremental real estate tax revenue for each of the station catchment areas.

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# Overview of Amtrak Major Stations
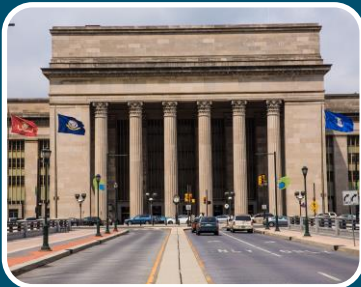
**New York Penn Station**



**Project Status**
- Joint RFP for Farely/Moynihan
- Joint RFEI/Q with NY State for New York Penn Station

**Next Steps**
- Determine what to RFP
- Initial Structures: JV, Ground lease for retail & O&M coupled with acquisition/densification strategies for New York Penn Station

**Philadelphia 30th Street Station**



**Project Status**
- Recently completed two-year joint master planning effort

**Next Steps**
- Implementation of early action improvements identified in District Plan
- RFQ/P process for station components of Phase 1
- Initial structures: J V/ground lease, air rights lease

**Baltimore Penn Station**



**Project Status**
- Precinct/Station Master Plan/SOGR
- Master Development Solicitation
- Development includes adjacent Amtrak land parcels and station upper floors
- TIF District/RRIF Loans

**Next Steps**
- Advance Station Master Plan/SOGR
- Release RFQ for Master Development Program

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# Overview of Amtrak Major Stations

## Washington Union Station



**Project Status**
- Air rights developer in place (Akridge)
- Station master lease in place (Ashkenazy)
- Part of HSR Riff loan application

**Next Steps**
- Advance Phase 1: station waiting area/platform improvements "north of the wall"

## Chicago Union Station



**Project Status**
- Phase 1A, the first stage of near-term improvements
- Master Development Solicitation
- Potential Components: head house/tarnished concourse ground lease, parking lot parcel air rights disposition, air rights lease over tracks
- Existing TIF District

**Next Steps**
- Advance Phase 1A
- RFQ out for Master Development Program

# THANK YOU

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