

December 23, 2024

Alicia Glen, Co-Chair, NY Commissioner
Balpreet Grewal-Virk, Co-Chair, NJ Commissioner
Tony Coscia, Vice-Chair, Amtrak Commissioner
Jamey Barbas, NY Commissioner
Janine Bauer, NJ Commissioner
Marie Therese Dominguez, NY Commissioner
Amy Rosen, NJ Commissioner

Dear Commissioners,

2024 was a year of incredible progress for the Hudson Tunnel Project (HTP). With your leadership, and our partners in government, private industry and labor, the HTP moved from planning to reality, and reached the point of no turning back on construction and funding.

This year the Gateway Development Commission (GDC) secured full funding for the HTP, created hundreds of good union jobs, awarded the first tunnel boring contract, and made significant progress on construction projects on both sides of the Hudson River – as well as in the river itself.

Signing the Full Funding Grant Agreement (FFGA) for the HTP marked a major milestone for the project. With both the \$6.88 billion FFGA and \$3.8 billion Federal-State Partnership (FSP) Grant executed this year, the entire \$16 billion needed to complete this project is committed. This includes the largest ever federal funding commitment to a rail project, reflecting the critical importance of the HTP for the region and the nation.

Securing full funding enabled us to move full steam ahead with construction. We have now awarded contracts for four of the ten construction packages that make up the HTP. The three projects in progress alone are creating 7,500 jobs and generating \$1.5 billion in economic output, and this is just the beginning. New research released this year found that in total construction of the HTP will create 95,000 jobs and drive \$19.6 billion in economic activity that benefits workers and businesses across the country.

We accomplished all this thanks to the unwavering support of the Federal Administration, Senate Majority Leader Chuck Schumer, Governor Kathy Hochul, Governor Phil Murphy, and our Congressional delegation from both sides of the political aisle, as well as our partners at the Federal Transit Administration (FTA), the Federal Railroad Administration (FRA), Amtrak, NJ TRANSIT, and the Port Authority of New York and New Jersey (PANYNJ). We also owe our success to each of you, as well as the unyielding drive and commitment that all our colleagues at GDC bring to work every day

We will continue to build on our forward momentum in the year to come. We're looking forward to the completion of the first portion of the Project, the Tonnelles Avenue Bridge and Utility Relocation, which paves the way for the tunnel boring machines to enter the Palisades, provides a safe and secure site to remove the spoils from the tunneling projects, and eventually will allow for trains to pass underneath Tonnelles Avenue and into the underground portion of the project.

In addition, we have ordered the tunnel boring machines that will build the New Jersey portion of the tunnel and expect them to be produced in the new year. We will also award the contract for the Manhattan Tunnel Project, which involves designing and building the portion of the new tunnel on the Manhattan side of the river.

With rail ridership returning to, and even surpassing, pre-pandemic levels, the region, and nation, need the HTP now more than ever, and we have bipartisan support in Washington and the states, as well as strong partnerships with business and labor. GDC looks forward to continued cooperation with the incoming administration to deliver this vital project.

Thank you for entrusting me to oversee this crucial project as acting CEO. I wish you and your families a happy holiday season and look forward to our entire team building on the progress we have made to date in the new year.

Sincerely,

Patrick McCoy
Acting Chief Executive Officer
Gateway Development Commission

CC: Hon. Kathleen C. Hochul, Governor, New York
Hon. Philip D. Murphy, Governor, New Jersey
Stephen Gardner, Chief Executive Officer, Amtrak
Senate President Pro Tempore Andrea Stewart-Cousins, New York
Assembly Speaker Carl Heastie, New York
Senate President Nicholas Scutari, New Jersey
Assembly Speaker Craig Coughlin, New Jersey

Below is a summary of key accomplishments GDC achieved over the past year and a brief preview of what is to come in 2025.

2024 Progress

GDC secured full funding for the HTP, including the largest federal funding commitment to a rail transportation project in modern history.

In July, GDC signed an FFGA for \$6.88 billion in Capital Investment Grants (CIG) Program funding and closed on Railroad Rehabilitation and Improvement Financing (RRIF) loans from the Build America Bureau totaling \$4.06 billion to fund the local share of the project. With these actions, GDC secured the entire \$16 billion commitment needed to complete the HTP.

We celebrated this milestone with a signing ceremony that included many of the leaders who have championed the HTP, including Senate Majority Leader Schumer, Governors Hochul and Murphy, Senator Cory Booker, U.S. Department of Transportation Deputy Secretary Polly Trottenberg, FTA Acting Administrator Veronica Vanterpool, members of the New Jersey and New York Congressional delegations, our Board, and partners at NJ TRANSIT, Amtrak, and PANYNJ.

In addition to signing the FFGA, this year GDC executed grant agreements for \$3.8 billion in Federal-State Partnership (FSP) Grant funding, \$25 million in Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant funding, and a \$1 billion Capital Funding Agreement with Amtrak.

\$4 billion in federal funding is now obligated to the project. Together with the RRIF loans for the local share of the project, roughly \$8 billion is now available to advance construction.

Throughout the process of securing funding for the HTP, GDC has worked closely with our partners in New Jersey and New York to reduce the share of funding for this project borne by the states. The final 70-30 federal/state funding split saves both states billions, freeing up funds for other capital projects critical to the region.

Construction has started on both sides of the Hudson River – and in it. These active construction projects will create 7,500 jobs and generate \$1.5 billion in economic output.

GDC made significant progress on construction projects on both sides of the Hudson River this year. The Tonnelles Avenue Bridge and Utility Relocation Project in New Jersey is more than 50 percent complete. GDC reached this milestone on schedule and on budget, and we expect to complete the project in 2025. This important early works component of the HTP will create an access point for launching the tunnel boring machines that will dig the underground portion of the new tunnel on the New Jersey side.

In Manhattan, the Hudson Yards Concrete Casing – Section 3 (HYCC-3) Project is building the link that will connect the new tunnel to New York Penn Station. Secant pile installation under the High Line will be complete by the end of 2024, enabling excavation to install the tunnel box to begin.

In line with our commitment to transparency and public engagement, GDC has installed EarthCam panoramic cameras at the Tonnelles Ave. and HYCC-3 project sites. These cameras publish panoramic photos of each site to the GDC website daily, and we use footage collected from them to create videos showing our construction progress.

In July, we launched the first heavy construction project of the HTP: the Hudson River Ground Stabilization (HRGS) Project. This project involves injecting grout into the silt that makes up the shallow riverbed on the Manhattan side of the Hudson River then creating columns of soil mixed with cement and water to create a block of reinforced earth that is strong enough for tunnel construction to take place. Construction crews recently completed the first of multiple sections of temporary cofferdams that will enclose work areas, enabling deep soil mixing to begin.

This year GDC also took an important step toward the start of tunnel boring by awarding the first tunnel boring contract for the Palisades Tunnel Project. This project will build the first mile of twin tunnels in New Jersey. Preparatory work for tunnel boring is already in progress, and we have ordered the tunnel boring machines that will dig this portion of the tunnel.

GDC also secured approvals for three National Environmental Policy Act (NEPA) Re-Evaluations from the FTA and the FRA, ensuring that our upcoming construction work is cleared to proceed on schedule.

GDC awarded three major contracts and launched procurement for two additional construction packages. Seven out of the ten packages that comprise the HTP are now either under construction or in procurement.

This year, GDC awarded a Delivery Partner contract to MPA Delivery Partners, a Joint Venture of Parsons Corporation, Arcadis of New York, Inc., and Mace North America Limited, as well as contracts for the HRGS Project and the Palisades Tunnel Project. The HRGS contract was the first heavy construction project of the HTP and the Palisades Tunnel Project is the first tunnel boring contract.

In addition to awarding these contracts, GDC advanced the procurement process for three other HTP construction packages. We received proposals from shortlisted firms for the Manhattan Tunnel Project and we expect to award this contract in 2025. We also issued Requests for Qualifications (RFQs) for the Hudson River Tunnel Project and the New Jersey Surface Alignment Project.

Contracts for insurance brokerage and advisory services and expert business advisory services are also in procurement and GDC has released a notice of qualified firms for commercial banking and underwriting services providers.

GDC continued to coordinate closely with the construction industry and work proactively to engage Disadvantaged Business Enterprises (DBEs).

GDC partnered with construction industry associations including The General Contractors Association of New York, the Utility & Transportation Contractors Association, The Moles, The American Council of Engineering Companies of New Jersey, and the New York Building Congress to host industry engagement sessions related to the Hudson River Tunnel, the NJ Surface Alignment, and the Systems & Fit Out construction packages. These sessions gave members of the industry an opportunity to ask questions and provide feedback on how to structure upcoming procurements.

In line with GDC's plan to achieve our goal of 20 percent DBE participation, we hosted an industry day and DBE networking event to inform DBE leaders about opportunities to work on the project. We also collaborated with Congressman Donald Payne and the New Jersey NAACP to host informational sessions for DBEs.

As construction activity ramped up, GDC worked with leaders in the communities where projects are located to proactively educate community members about construction activity and raise awareness of GDC's programs to mitigate the impacts of construction.

GDC maintains consistent communication with local elected officials in communities where construction is taking place, including North Bergen, Weehawken, Hoboken, Union City, and Manhattan's West Side to provide timely updates on upcoming work and schedules. As part of these efforts, we distribute weekly construction updates to ensure affected municipalities are informed of project-related road closures and other potential impacts on the local community.

GDC created dedicated phone hotlines and email addresses for each active construction project. We also opened Public Information Centers at the Tonelle Ave. Project site and in Weehawken where members of the public can learn about the project and ask questions in person.

To minimize the impacts of construction noise on local residents, we launched a Noise Abatement Program to provide noise-reducing windows, sliding doors, and air conditioning units, as needed, to create a closed-window environment for residents living near the Tonnelle Ave. and Hudson County staging areas.

We also collaborated with Weehawken Mayor Richard Turner to host an open house for members of the community where GDC staff provided information about the construction work that would be happening in Weehawken and the mitigation measures that would be in place to minimize impacts on the community. We are planning a similar open house in collaboration with North Bergen Mayor Nicholas Sacco that is expected to take place in early 2025.

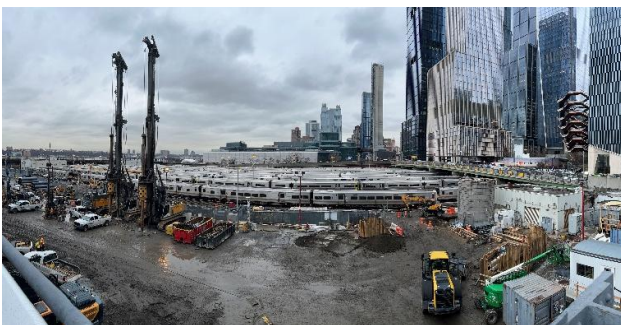
In New York, we briefed elected officials and the Community Board representing Manhattan’s West Side on the projects taking place in their neighborhood and GDC’s plans to mitigate the impacts of construction. GDC is also working to open a Public Information Center near the site of active construction in New York in 2025.

GDC continued to mature as an organization, onboarding a Delivery Partner that is providing the expanded staff capacity and expertise needed to see this project through.

In February, GDC awarded a Delivery Partner contract to MPA Delivery Partners. This cutting-edge staffing model significantly expanded our financial, compliance, and technical capacity.

Since awarding the contract, GDC has onboarded roughly 260 MPA staff with a depth of experience working on all aspects of large-scale infrastructure projects.

Hudson Yards Concrete Casing – Section 3 (HYCC-3) Construction Progress



January 2024



December 2024

Tonnelle Avenue Bridge & Utility Relocation Project Construction Progress



February 2024

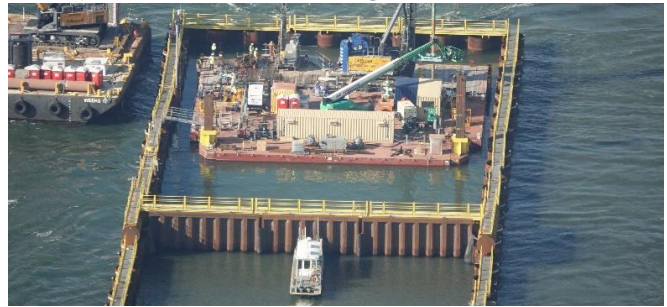


December 2024

Hudson River Ground Stabilization Project Construction Progress



July 2024



December 2024

2025 Look Ahead

2024 marked the transition from planning to building the HTP. With full funding secured and a large team of experts onboarded through our Delivery Partner, GDC is ready to continue moving full steam ahead with our active construction projects and ongoing procurements in the new year.

In the year ahead we expect to complete the Tonnelle Ave. Project and make significant progress on our other active construction projects. We have ordered the tunnel boring machines that will build the New Jersey portion of the tunnel and expect them to be produced in the coming year. We also anticipate awarding the contract for the Manhattan Tunnel Project.

Through it all, we will continue to coordinate closely with our partners in government, labor, private industry, and the communities where construction is taking place to ensure ongoing, productive collaborations with all of our stakeholders.

The future is bright. The need for and benefits of the HTP are clear, and we have strong support from leaders on both sides of the aisle in Washington, New York, and New Jersey as well as business and labor leaders who will work with us to ensure this project stays on track. We look forward to building on our achievements over the past 12 months in the new year.

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