

Penn problem 1: The finances of a rezoning plan don't add up

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Despite having long been opposed to Amtrak tearing up a too-big chunk of Midtown for an unneeded \$12 billion Penn Station annex because the railroad selfishly wants to banish NJTransit trains and separate the railroads instead of unifying their operations, we were willing to consider Gov. Cuomo's Jan. 6, 2020, financing scheme for a necessary Penn rehab via new office tower construction. We wondered, "[as a real estate deal, could it work?](#)"

The answer is no, not as initiated by Cuomo and continued by Gov. Hochul after only minor adjustments. The state's Empire State Development Corp., stocked with Cuomo/Hochul appointees, should drop it. If not, the state Senate and Assembly should exercise their veto on the Public Authorities Control Board (yes, post-Amazon deal, the obscure panel retains that power, provided it's exercised to protect state finances).



The dollars aren't there. (MTA)

As researchers from the New School argue persuasively [in a new study](#), even if everything works perfectly and every speculative tower is built, there just won't be enough cash produced to fund New York's 25% share of this massive, \$40 billion undertaking. (The favored developer, a major Cuomo/Hochul donor, could meanwhile reap \$1.2 billion in tax breaks.) But not everything will work perfectly. In this post-COVID world, it's a sure bet that some speculative tower will be scrapped. Either way, ESD, which would borrow against this income, cannot be exposed to such a risk.

There's also the \$10 billion hole that New Jersey hasn't budgeted a penny of its 25% share, and the theorized 50% from the feds (\$20 billion) remains just a theory. To call this math slapdash insults the backs of envelopes.

The lack of hard numbers explains why the city's Independent Budget Office, despite a valiant attempt, couldn't deliver a definitive [analysis of the plan](#).

Midtown's elected representatives from Congress, the borough president, state Senate, Assembly and City Council [all say wait](#). We say no way, not like this.

The Cuomo/Hochul appointees are set to vote on Thursday. They must remember that they took a fiduciary oath. They must vote no.