

# Gateway Development Commission

## Board Meeting

December 11, 2023



# Agenda

Recent Developments

GDC Final Annual Operating & Capital Budget for Fiscal Year 2024

Ernst & Young Financial Advisory Services Contract

Amtrak Capital Funding Agreement

Action Items



# Recent Developments

*Kris Kolluri, CEO*

# HTP Delivery: Then Now

## January 2023

- **Funding:**
  - ✓ No Federal Funding secured
- **Organizational:**
  - ✓ GDC assumed role of Project Sponsor
  - ✓ New Grant Recipient process not yet commenced
  - ✓ 18 professionals on board and no procurement department in place
  - ✓ Supporting and Executing Partners (SEP) Agreements contemplated
- **Packaging, design and procurement:**
  - ✓ Single package structure for tunneling and heavy civil work
- **Construction:**
  - ✓ No construction advanced

## December 2023

- **Funding:**
  - ✓ HTP Entering into Engineering enables GDC to receive up to \$6.88B in CIG grant funding
  - ✓ GDC awarded \$25 million RAISE grant for Tonnelle Avenue
  - ✓ HTP awarded \$292 million for Hudson Yards Concrete Casing Section 3 (HYCC-3)
  - ✓ HTP awarded a \$3.8B grant from the FRA's Federal State Partnership
  - ✓ **Adds up to \$11B in Federal funding, with a 70-30 funding split between Federal and local partners**
  - ✓ States' Funding Plan in place including execution-ready agreements
  - ✓ Moving into Credit worthiness Phases with the BAB
- **Organizational:**
  - ✓ Built technical, legal and financial capacity with rapidly growing staff
  - ✓ Multimillion dollar budget commitments from the States of New York and New Jersey, and Amtrak
  - ✓ **FTA designated GDC as a New Grant Recipient**
- **Packaging and procurement:**
  - ✓ 5-package, 9-contract structure for HTP.
  - ✓ Procurement process for Delivery Partner advancing
  - ✓ Ongoing procurements for Hudson River Ground Stabilization, Palisades Tunnel and Manhattan Tunnel
- **Construction:**
  - ✓ Construction on both sides of the River, HYCC-3 and Tonnelle Avenue commenced

## Recent Developments

On November 30, Governors Murphy and Hochul, Transportation Deputy Secretary Trottenberg, the Federal Railroad Administration, NJ TRANSIT, and Amtrak joined GDC in announcing the start of work in NJ on the HTP with a groundbreaking ceremony at the Tonnelle Avenue Bridge and Utility Relocation Project site.





# 2024 Final Operating & Capital Budget

*Patrick McCoy, Acting Chief Financial Officer*

## GDC 2024 Operating & Capital Budget: Process

- Pursuant to the GDC Act, the proposed 2024 budget was presented at the November 15, 2023 Board Meeting and made available for public review at [www.gatewayprogram.org](http://www.gatewayprogram.org).

# GDC Final Annual Operating & Capital Budget for Fiscal Year 2024

<b>Operating Expenses</b>	
Staff <sup>(1)</sup>	\$12,344,174
Professional Support Services (including financial advisory, outside legal counsel, and systems costs)	\$11,945,980
Federal-related Costs (Build America Bureau)	\$2,000,000
Rent and Utilities	\$595,175
Administration	\$439,516
Office Equipment, Services and Supplies	\$620,958
<b>Total Operating Expenses</b>	<b>\$27,945,803</b>
<b>Capital Expenses <sup>(2)</sup></b>	
<b>Total Capital Expenses</b>	<b>\$40,327,636</b>
<b>Total Budgeted Expenses</b>	<b>\$68,273,439</b>

(1) Includes 2.5% COLA for GDC staff, except for CEO and Departmental Heads.

(2) Includes Delivery Partner, interest on revolving loan facility, and staffing and Budget plan expenses for the Supporting Execution Partners (SEP), (PANYNJ and NJT).





# **Ernst & Young Financial Advisory Services Contract**

# Ernst & Young Financial Advisory Services Contract

- **Ernst & Young Infrastructure Advisors, LLC** has been providing GDC with expert professional financial and business advisory services since 2018. Services provided to date include advisory services with respect to financial structuring, analysis, procurement, evaluation, negotiation and documentation for the HTP.
- **GDC is seeking Commissioners' approval for a not to exceed amount of \$3.255 million to retain Ernst & Young services through December 17, 2024.**
- Services contemplated to be provided during this one-year period include similar financial advisory services to achieve financial close for the Hudson Tunnel Project and to provide advisory services for the operations phase after financial close.



# Amtrak Capital Funding Agreement

# Amtrak Capital Funding Agreement



- Pursuant of the Project Development Agreement, GDC will enter into a **Capital Funding Agreement with Amtrak** to facilitate Amtrak's commitment to fund a portion of the delivery of the HTP.
- GDC is seeking Commissioners authorization for the CEO to finalize the terms of the Agreement and make, execute, and deliver it once finalized, and to take all other steps necessary to comply with its terms.
- The CEO and applicable staff will report back to the GDC Board of Commissioners once GDC and Amtrak have executed the Agreement.



# Action Items

## Action Items

- **Item #1223-01:** Adoption of Gateway Development Commission's Final Annual Operating and Capital Budget For Fiscal Year 2024 and Authorization for GDC to Enter into Operating and Capital Funding Agreements
- **Item #1223-02:** Authorization to increase the not-to-exceed amount for the final option period of Contract with Ernst & Young Infrastructure Advisors, LLC (No. MCP-18-002)
- **Item #1223-03:** Authorization to enter into and execute a capital funding agreement with National Railroad Passenger Corporation



# GATEWAY DEVELOPMENT COMMISSION