

# Gateway Development Commission

*Board Meeting*

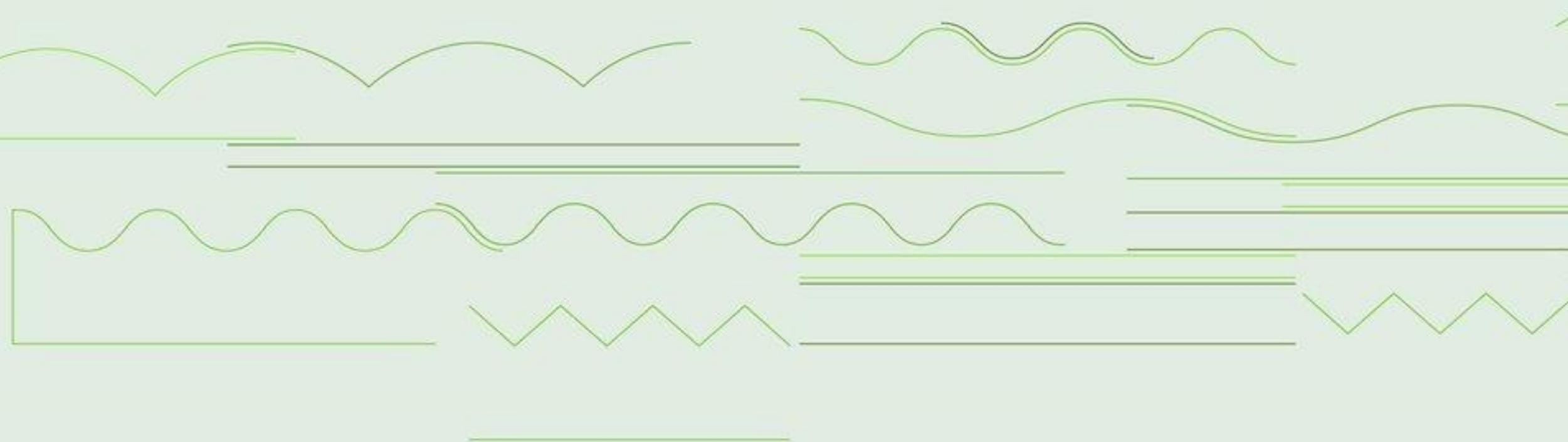
JANUARY 27, 2026

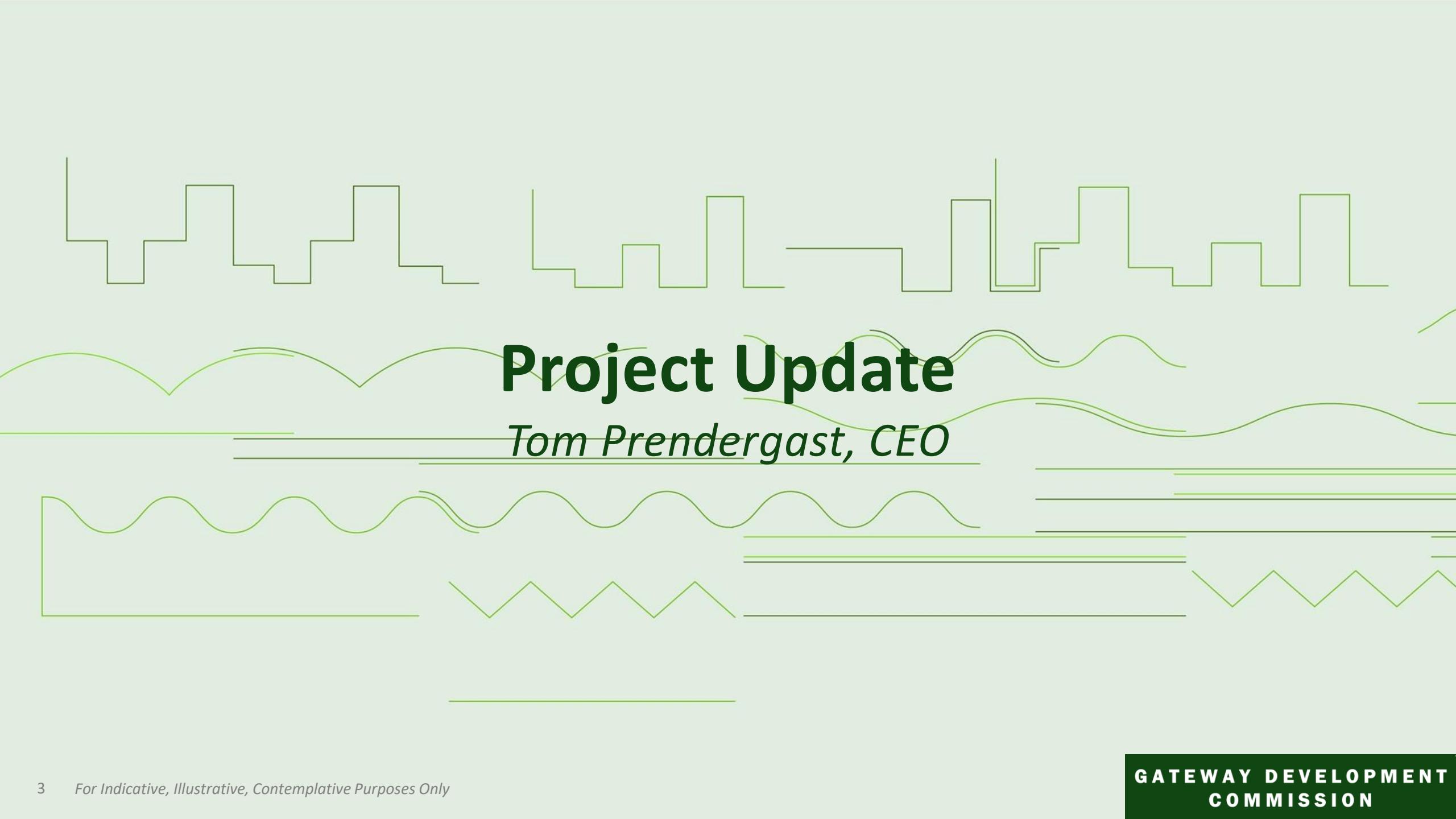


# Agenda

Project Update

Construction Progress





# Project Update

Tom Prendergast, CEO

# The Hudson Tunnel Project Relies on Federal Funding

## Total HTP Budget: \$16 Billion

- 70% funded by federal sources
- 30% funded by local partners

**GDC has signed and executed grant agreements with USDOT, FTA, and FRA to fund the entire project.**

## \$4.38 Billion in federal funding is currently obligated to the project

- CIG Grant: \$1.5 Billion
- FSP Grant: \$2.85 Billion
- RAISE Grant: \$25 Million

## Funding Sources for the Hudson Tunnel Project

<b>Capital Investment Grant (USDOT - FTA)</b>	\$6.88 Billion
<b>Federal-State Partnership Grant (USDOT - FRA)</b>	\$3.8 Billion
<b>RAISE Grant (USDOT)</b>	\$25 Million
<b>Mega Grant (USDOT)</b> <i>Separate funding source for HYCC-3</i>	\$292 Million
<b>Amtrak</b>	\$1.016 Billion
<b>RRIF Loans with PANYNJ, NY State, &amp; NJ State</b> <i>Local share of project cost</i>	\$4.006 Billion

# Federal Disbursements Have Been Paused Since October 1, 2025

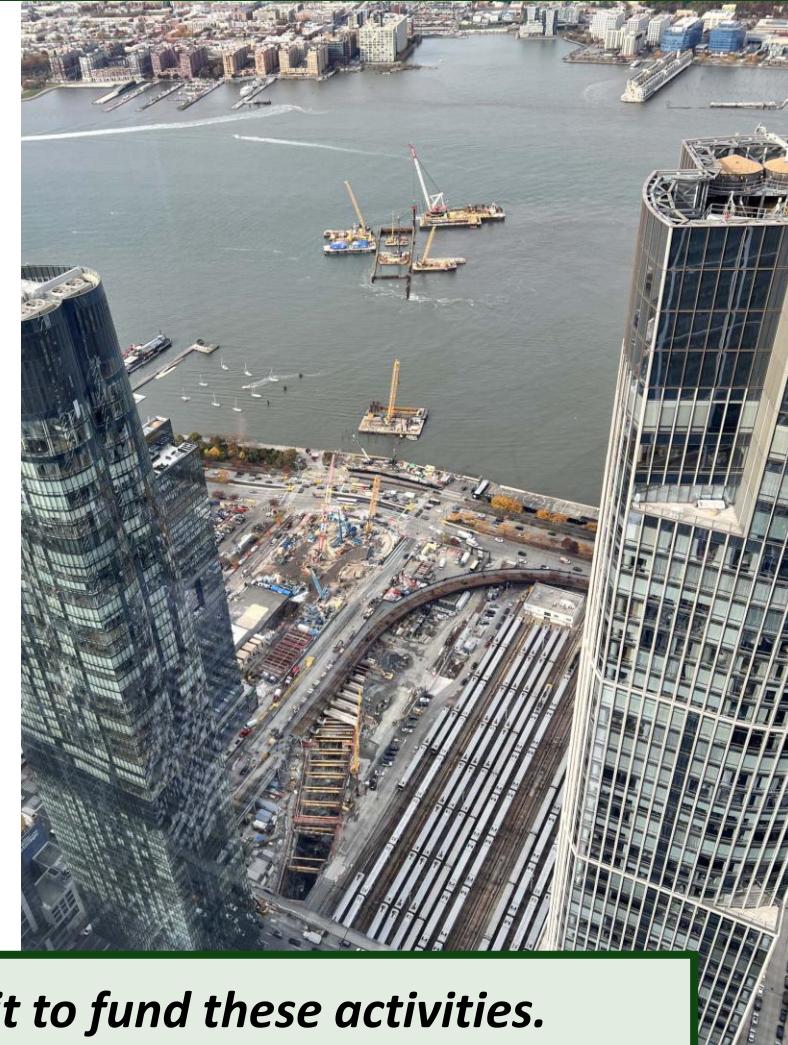
Sept. 30	GDC receives notice from FTA announcing pause of federal disbursements under CIG Program to the project pending a review of federally-mandated DBE program. <b>GDC acknowledges the notice.</b>	
Oct. 1	Government shutdown begins. <b>All federal funds for the HTP, not just CIG funds, are frozen.</b>	
Oct. 7	GDC receives letter from USDOT Office of Civil Rights requesting information about GDC's contractors and DBE program.	
Oct. 21	<b>GDC provides a thorough response</b> to OCR letter.	
Nov. 12	Government shutdown ends.	
Dec. 1	GDC receives a letter from USDOT Office of Civil Rights alleging violations of federal law in its DBE program. The letter requests that GDC implement or certify compliance with federal law.	
Dec. 8	GDC sends a response certifying compliance with federal law.	
Jan. 8	GDC send follow-up letter confirming compliance with federal law.	
<b>GDC continues to work with our federal partners to restore funding disbursements</b>		<i>Construction of the five active HTP projects and procurement processes for four additional projects have continued while federal funding has been paused.</i>

*GDC's Disadvantaged Business Enterprises (DBE) program complied with the previous administration's requirements, and we have proactively worked to maintain compliance in response to rule changes.*

# We Have Not Missed a Day of Work Since Funding was Frozen

Throughout the federal funding disbursement pause, GDC has remained committed to keeping the HTP on schedule. Since October 1, GDC has:

- **Procured two tunnel boring machines.** The first is on site in New Jersey, ready for assembly, and the second is scheduled to be shipped in February.
- **Finished the Tonnelle Avenue bridge and made significant progress on the portal launch box,** setting the stage for tunnel boring to begin in New Jersey.
- **Completed two major concrete pours for HYCC-3, totaling more than 7,200 cubic yards,** and broke through the bulkhead, connecting to the completed sections of the concrete casing.
- **Mixed 84 primary columns and 112 secondary columns of reinforced earth in the Hudson riverbed,** bringing the total number of finished columns to 838.
- **Installed 29 slurry wall panels for the Hudson County Access Shaft and 15 panels for the 12th Avenue Access Shaft.** The Hudson County Shaft slurry wall is now more than 75% finished.



*We have utilized every resource and drawn down all available credit to fund these activities.*

# Construction Will Pause if Funding is Not Restored

**Today GDC notified our contractors that construction of the Hudson Tunnel Project must pause on February 6 if additional funds do not become available.**

At that time, GDC will have exhausted all available resources to keep our construction sites open as long as possible. We have maintained throughout this pause that our line of credit is a finite resource.

We are doing everything we can to resume federal disbursements.

## ***Construction Pause Timeline***

- ***January 27***: Contractors and prime bidders on projects in procurement notified of anticipated pause
- ***January 27 – February 6***: Contractors wind down work at active construction sites, including laying off construction workers
- ***February 6***: Construction activities stop until federal disbursements resume  
*HYCC-3 construction will continue, funded by federal Mega Grant*

# Stopping Construction Will Have Severe Negative Consequences

*Even a temporary construction pause will have serious negative impacts on workers, riders, businesses, and the economy*

- **Nearly 1,000 workers will immediately lose their jobs**, and the 11,000 jobs supported by current work will disappear
- **Putting 95,000 jobs and \$19.6 billion in economic activity** supported by construction at risk
- **Forcing riders to deal with unreliable service and delays** caused by the aging North River Tunnel for even longer
- **Increasing construction costs, incurring de- and remobilization costs, and impacting the schedule** every day construction is paused
- **More than 1 Billion dollars have been spent on the project already**. Stopping construction would leave **massive, empty construction sites** in midtown Manhattan and New Jersey



# Delaying Construction Puts the American Economy at Risk

Amtrak and NJ TRANSIT service into, out of, and through New York City relies on the 116-year-old North River Tunnel. The risk that the existing tunnel must shut down grows as it continues to age. Without a new tunnel, this will disrupt travel up and down the East Coast, costing the national economy billions.



The region the Northeast Corridor serves produces **20% of America's GDP**.



**2,000 trains per day** carrying approximately 800,000 passenger trips travel on the Northeast Corridor.

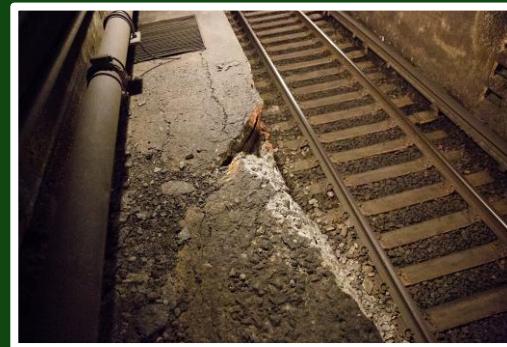


**450 trains** travel through the tunnel between New Jersey and New York every day.

*A 4-year shutdown of **one tube** in the North River Tunnel would...*

- Cost the national economy **\$16 billion**.
- Reduce property values in the region by **\$22 billion**.
- Increase commute times for 245,000 drivers.
- Cut train service between NYC and Washington, DC in half.

## Current Conditions in the North River Tunnel





# Construction Updates

*Jim Starace, Chief of Program Delivery*

# Five Active Projects Supporting 20,000+ Jobs

*Photos from live construction cameras at our active job sites*



Hudson Yards



Manhattan West Side



Hudson River



North Bergen



Weehawken

**Two additional construction packages are in procurement**

Construction is scheduled to begin this year, creating hundreds more new jobs

# Tonnelle Avenue Bridge & Utility Relocation Project

## Jobs Supported: 400

- Bridge structure completed in 2025
- Opened the path for tunnel boring machines to be brought in for assembly
- Work in progress to prepare the site for the NJ Surface Alignment Project



# Palisades Tunnel Project

## Jobs Supported: 5,500

- First TBM on site ready for assembly
- Second TBM manufactured and ready to ship
- Portal launch box nearly complete
- 75% of slurry wall construction complete for the Hudson County Access Shaft



# TBM Arrival

## TBMS-1431 Main Drive Unit Delivery

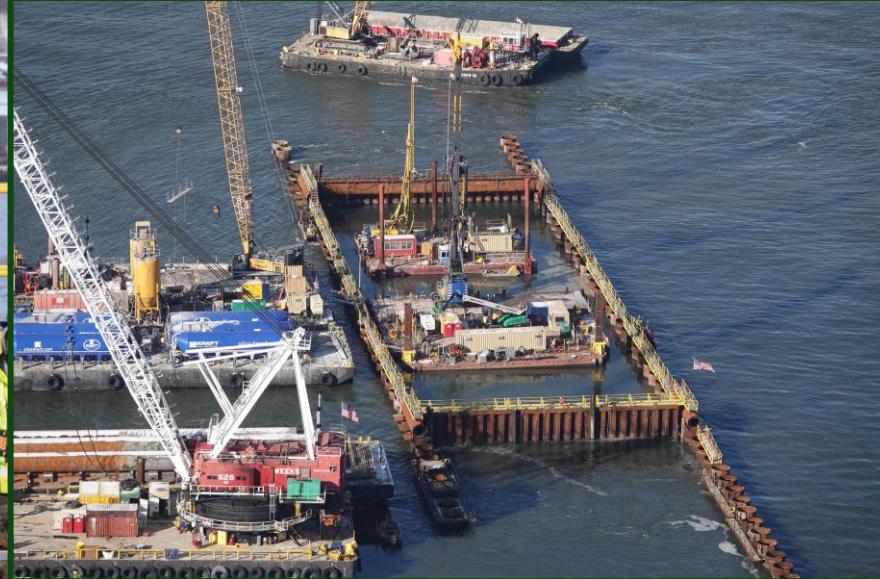
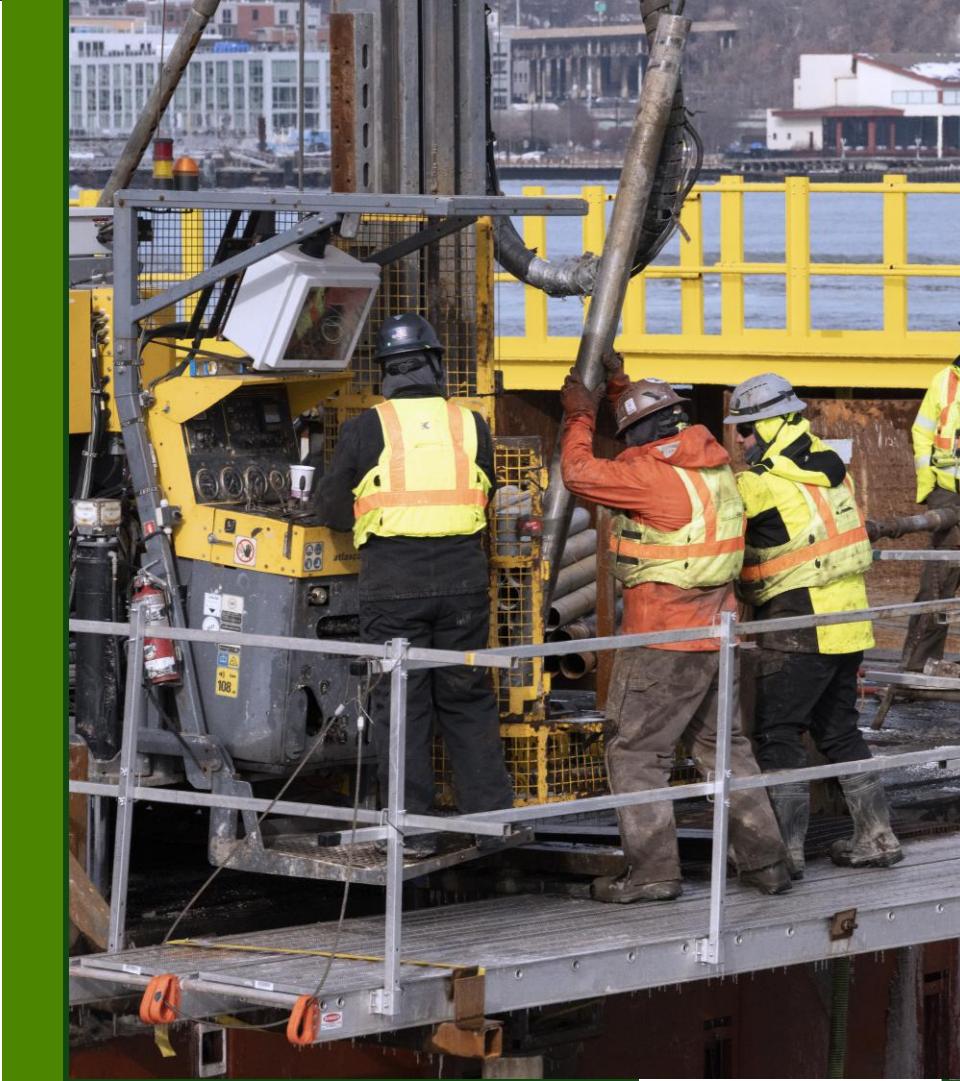


GATEWAY DEVELOPMENT  
COMMISSION

# Hudson River Ground Stabilization Project

**Jobs Supported: 2,300**

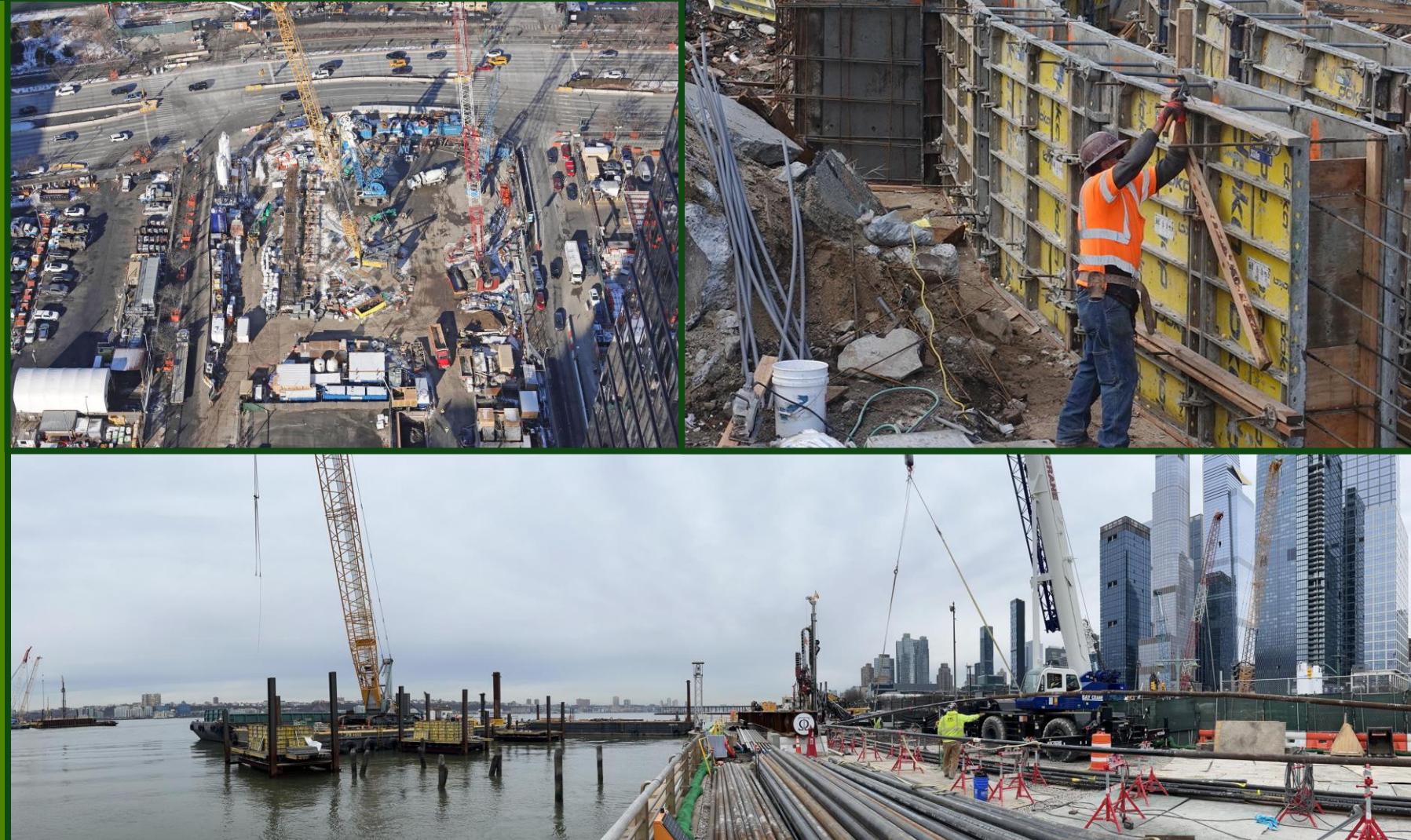
- Deep soil mixing and obstruction removal ongoing
- 50% of stabilization work is complete
- Approximately 60,000 square feet of riverbed stabilized



# Manhattan Tunnel Project

## Jobs Supported: 7,200

- 25% of slurry wall construction complete for 12<sup>th</sup> Avenue Shaft
- Ground stabilization work in progress in Hudson River Park
- Temporary marine structures installed near shore to enable ground stabilization around the Manhattan bulkhead
- Digger shield being manufactured

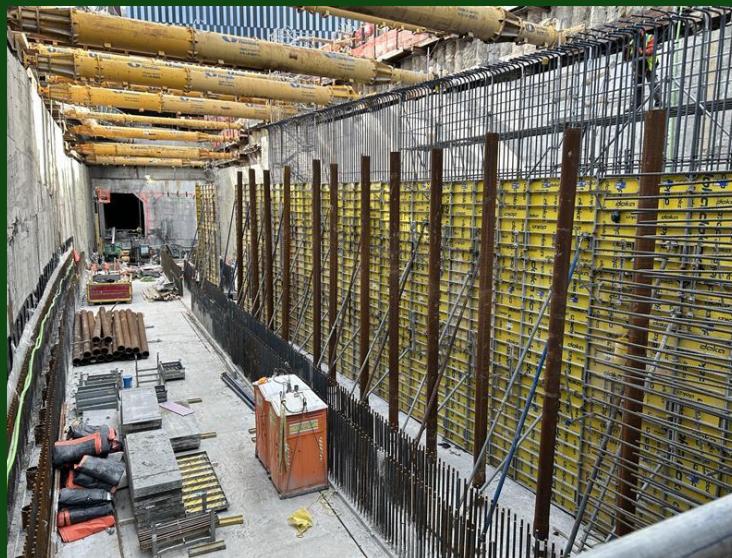


# Hudson Yards Concrete Casing – Section 3

## Jobs Supported: 4,800

- Approximately 75% complete
- Two sections of the invert slab have been poured. Slab and tunnel walls are in progress.
- Broke through bulkhead to connect to existing sections of the concrete casing

***Work will continue, but the concrete casing will have no utility if the tunnel is not finished***



# Upcoming Procurement Schedule Impacts

Four major procurements that comprise the remaining packages for the new tunnel are impacted by the federal funding pause.

## Hudson River Tunnel



The contract is ready for award once funding resumes.

## NJ Surface Alignment



Proposals were received. Their selection, review, and award is now pending.

## A-Yard & 10<sup>th</sup> Ave Tunnel



GDC is prepared to identify qualified bidders for both packages, but cannot advance procurement absent funding.

## Systems & Fit-Out



***GDC cannot award these contracts and begin new construction until funding resumes.***



# GATEWAY DEVELOPMENT COMMISSION