

Chicago Union Station an essay in 3 parts

Part 1 **Union Station Now** the current Master Plan and how to fund it

by Alan Mammoser, September 2018

This series of essays explores the challenges and the possibilities of Chicago's Union Station. They show how the station can be made into the centerpiece of a vastly improved transportation system for Chicago and the whole Midwest. They are in three successive parts:

Part 1: Union Station Now: the current Master Plan and how to fund it;

Part 2: Union Station Transformation: becoming a nexus of high speed intercity and high frequency regional rail;

Part 3: Union Station Strategy: policies and institutions to make the transformation happen.



Part 1 contains ten sections. It looks to the medium term future, 20 to 30 years out, in its discussion of the \$200 million Master Plan. Subsequent parts look much further, 30 to 40 years into the future, for \$2 billion and more in investment.



Chicago Union Station straddles Canal Street, taking up two blocks in what is today called the West Loop. Its original Concourse building (fore) was demolished in 1969. Its headhouse building (rear) remains intact.

Part 1 Union Station Now

Sections

The train station that didn't die and now needs to grow

Union Station recovered from a long decline and now expects a rising number of passengers; a plan is in place to accommodate more but funding is not yet identified.

Amtrak the landlord

The huge area of the station complex, now owned by Amtrak, is a legacy of the Chicago Union Station Company that was dissolved last year.

CUS by the numbers

Passenger levels have been increasing for decades and now fulfill the station's capacity.

Great expectations

According to the Union Station Master Plan (2012) CUS will see large increases in passengers through 2060, requiring significant capacity enhancements.

Concourse correction

The Master Plan's medium term ideas – 13 projects – have a total cost of approximately \$200 million and should give the station sufficient capacity to at least the year 2050.

Headhouse hopes

Amtrak has committed significant funds to restore the headhouse and will presumably work with the city on a value-capture scheme to generate funds for Phase 1.

Headhouse high-rise demise

A proposal to develop the headhouse and the Amtrak-owned block south of it will generate significant property tax revenue, although the disposition of these funds remains unclear.

Moving the money

Property tax revenue from the development of Amtrak's headhouse and the block south of it should quickly generate revenues through a value-capture scheme such as TFIA.

What is Amtrak up to?

While Amtrak raised suspicions by dissolving CUSCo last year, there should be sufficient revenue from the development plan to leverage funding for Phase 1.

From millions to billions

In addition to the Master Plan's medium term Phase 1 projects are its long term or 'visionary' projects, which promise to make CUS the centerpiece of a transportation system that powers the future economy of the Chicago metropolitan area and the whole Midwest.

References

The train station that didn't die and now needs to grow

Chicagoans who ride trains know Union Station from two perspectives. It is as if the old train station were separated into two separate parts showing two quite distinct characters. Daily commuters on Metra move quickly through its crowded, claustrophobic concourse on their way to trains that connect city to suburbs. But Amtrak passengers on long-distance trains might linger in the Great Hall in the station's headhouse. It is an enormous, elegant waiting room; a dignified and rather calming place beneath a high skylight ceiling.

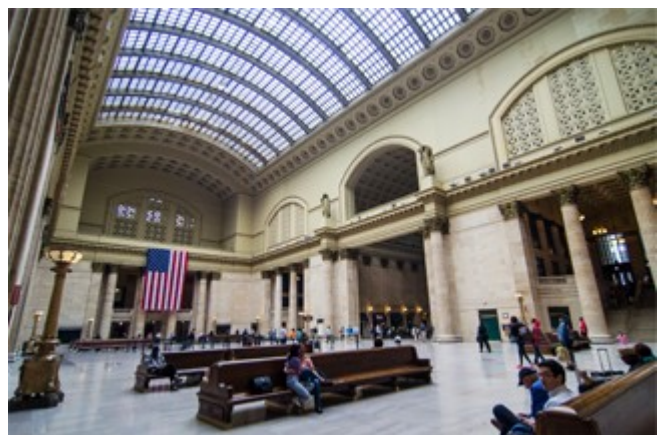
This headhouse is, indeed, one of the city's great public buildings from the golden age of railroading. It is fronted by neo-classical columns and façades on four sides. It fills a whole block west of Canal Street, from Adams to Jackson. In contrast, its counterpart concourse is quashed in the basement of a tall office tower directly across Canal Street along the Chicago River. The two are connected by a wide passage beneath Canal Street.

These two very different spaces were a harmonious whole, a two-block, two-building assembly of magnificent proportions, when Union Station first opened nearly 100 years ago. In 1925 it was hailed as one of the best transportation facilities in the world. It was a state-of-the-art Hauptbahnhof; a modern and more graceful O'Hare of the railroad age.

Departing passengers moved with ease from taxis into the Great Hall, thence to the concourse leading to the platforms, all without walking up or down a single flight of steps. Their luggage was loaded from separate, specially designed baggage platforms running between the trains. Arriving passengers claimed their luggage in the concourse. They could walk to the Great Hall to catch taxis or,



The concourse was an open, naturally lighted space leading to trains



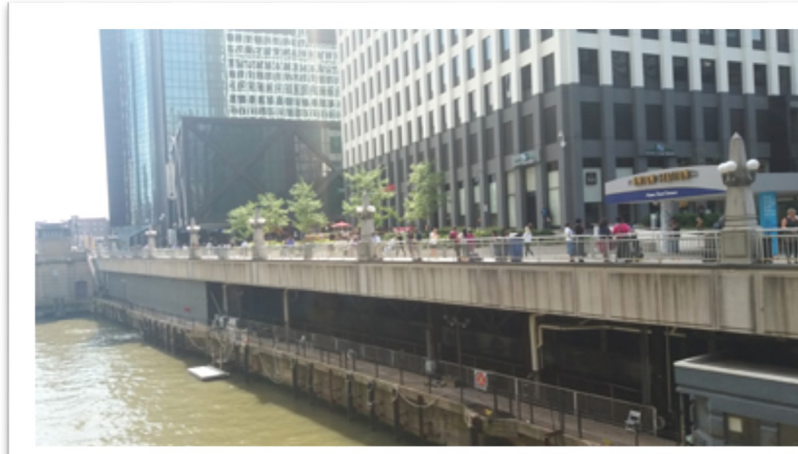
The headhouse features the famous barrel vaulted skylight of its Great Hall



The West Side Elevated crossed directly over the station's south platforms

should they wish, follow a walkway to the West Side Elevated, which would carry them to many points across the city.

Chicago Union Station (CUS) opened at the very height of the railroad age, just as airplanes and paved highways for automobiles were coming on the scene. The railroads, and Union Station with them, went into a long decline. The concourse building, an exquisite, light-filled structure of steel columns and arches, so



The office building that replaced the original concourse

handsomely matched with the headhouse building across the street, was tragically demolished in 1969. The struggling railroads that owned Union Station were desperate for income and they assumed that passenger rail travel would continue to diminish. So they sold air rights over the concourse and allowed its replacement to be crammed into the aforementioned office building's basement.

But train travel did not die. To the contrary it revived and CUS made a comeback beginning in the 1970s, with passenger

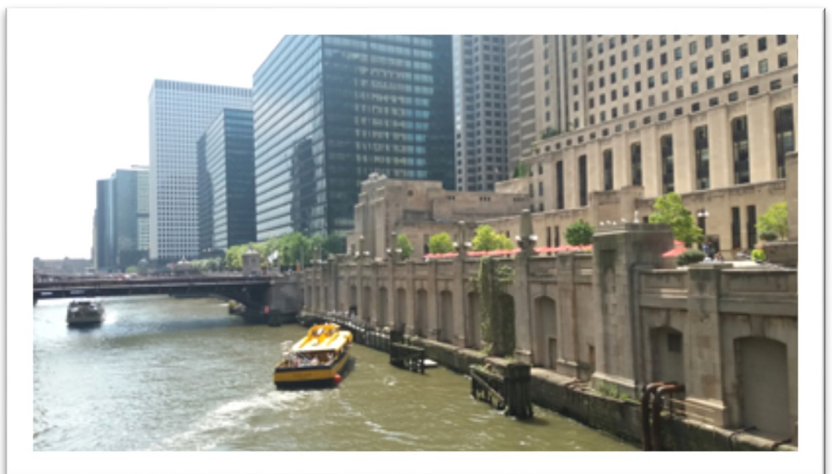
volumes gradually increasing from then until today. It's a busy place and it remains a critical transportation nexus for Chicago, one of equal importance to the airports.

Amtrak, now the owner of CUS, oversaw a much needed concourse renovation that was finished in 1991. This increased its capacity and improved conditions in the basement quite a bit. But passenger volumes have continued to rise since then and the station has reached a limit. A plan is now in place to expand its capacity, to handle anticipated increases in Amtrak intercity and Metra commuter traffic.

Planners are looking medium-term, anticipating more passengers on more trains in the next 20 to 30 years. And they're looking long term, 30 to 40 years in the future, as they think about how the station should change to support high speed rail and really transformative services. Preliminary design and engineering is underway. But no funding for final engineering and construction has yet been found. Meanwhile, long range visions for Union Station remain little more than drawings on paper.

Amtrak the landlord

Most people probably think Union Station consists of just two buildings: headhouse (the 'Great Hall') and concourse. Few know



Buildings built above the tracks; the Daily News on right

that the station complex comprises one of the largest landholdings in Chicago.

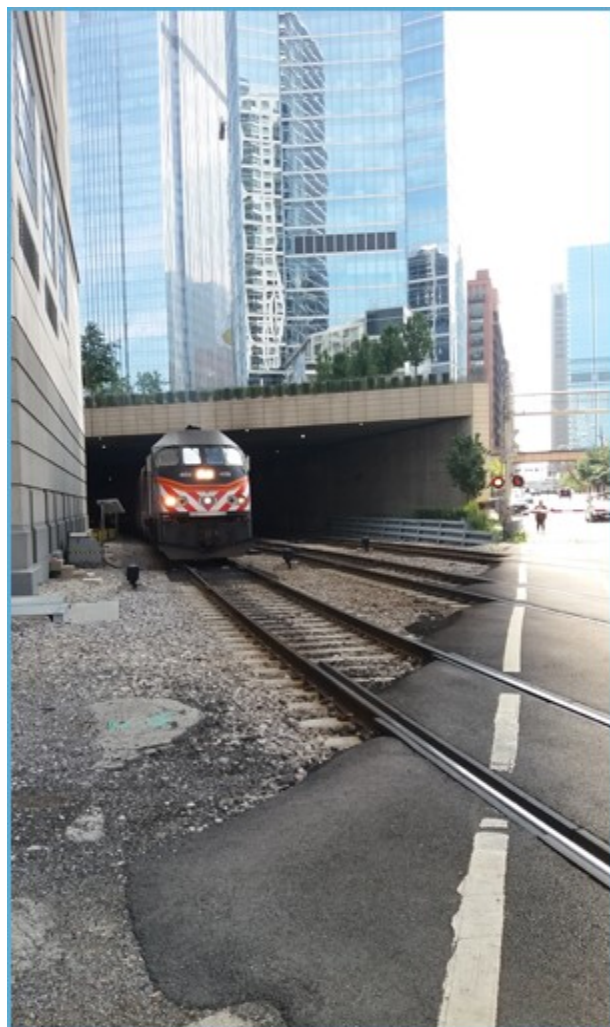
It extends nearly 25 blocks in length, north to south, and one block in width from Canal Street eastward to the Chicago River. It runs from the north concourse northward to the block between Fulton and Kinzie (400 N), where the three tracks of the north approach curve across Canal Street. It runs from the south concourse southward to 21st Street (2100 S), to the steel truss lift bridge that carries the tracks across the south branch of the Chicago River. Much of Canal Street itself, as well as parts of some of the cross-streets, are on viaducts on air rights or easements over the property. The only blocks west of Canal Street are the two between Adams and Van Buren Streets (where the headhouse stands on the block between Adams and Jackson).

Altogether it amounts to approximately 200 acres of central city real estate. It's an enormous holding. But much of it lay unseen beneath buildings with 'air rights' standing over the station's approach tracks. Notable air-rights buildings include the Old Main Post Office and the Daily News buildings. They're part of a long bank of buildings that extends from a new high-rise south of Kinzie Street (333 N. Canal) to the New Post Office at Harrison Street. The tracks finally emerge from under the Post Office and see daylight south of Polk Street, where they fan out to a large switching and maintenance yard.

Who owns it all? Amtrak is the current owner. But it is the legacy of the Chicago Union Station Company (CUSCo), which was incorporated in 1913 to build and manage Union Station. CUSCo was founded and owned by four companies: the Chicago, Burlington and Quincy Railroad (CB&Q), the Chicago, Milwaukee, St. Paul and Pacific Railroad (Milwaukee Road), and two subsidiaries of the Pennsylvania Railroad (PRR). Amtrak, a quasi-governmental agency created in 1970 to take over the railroads' passenger services, combined all of its Chicago operations into Union Station in the early 70s. Amtrak took over CUSCo in 1984 and held it as a wholly-owned subsidiary until just last year, when it liquidated CUSCo and merged the subsidiary into itself.

CUS by the numbers

Measured by numbers of trains and passengers, Union Station is by far the largest of Chicago's four downtown train stations. CUS serves well over 300 trains per weekday carrying about 120,000 arriving and departing passengers. It is the nation's third busiest rail station after Penn Station and Grand Central in New York. It sees more travelers each day than Midway Airport; its level of passenger traffic would rank it among



Where the tracks cross Canal Street —4 blocks north of the station

the twenty busiest U.S. airports.

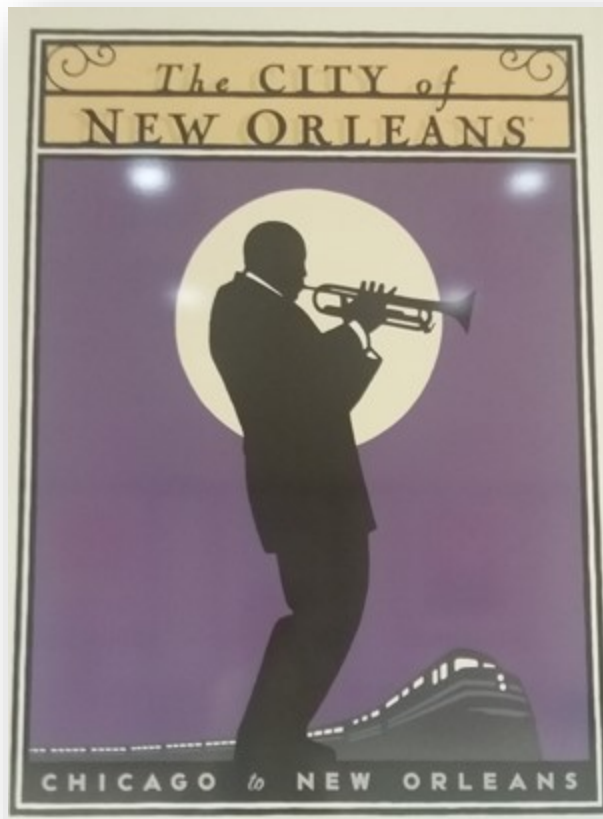
CUS, with its Great Hall and baggage platforms, was built to serve the long distance intercity trains of an earlier era. Today most of its operations consist of Metra's commuter service. Of the more than 33 million arriving and departing passengers at the station each year, the great majority (91%) are Metra commuters. Nevertheless, Amtrak's intercity service remains important.

Metra operates approximately 280 trains in and out of Union Station on any given weekday. These serve six commuter lines to/from the suburbs including: (from the north platforms) North Central, Milwaukee District North, Milwaukee District West; and (from the south platforms) BNSF, Southwest, and Heritage Corridor.

Amtrak has over 50 trains arriving and departing every weekday from Union Station. These include regional trains to Milwaukee (seven daily trains), St. Louis (four daily), Detroit (three daily), and several other Midwestern cities. These also include Amtrak's famous long-distance overnight trains such as Empire Builder, City of New Orleans and others departing once per day. CUS is the hub for almost all of Amtrak's long distance overnight trains.

Passenger levels at CUS have been increasing for decades. They are now, or will soon be, exceeding the design capacity of the 1991 renovation. More than 55,000 passengers boarded Metra trains every weekday at Union Station in 2016, up from 42,300 in 1991. Amtrak boardings and alightings have increased from 2.45 million per year in 2005 to almost 3.3 million per year in 2015.

The concourse is crowded with commuters during morning and afternoon rush hours, such that it is difficult to move against the rush hour flow. The tracks and platforms are busy with trains. Metra has been adding capacity by lengthening its trains. Now, however, there's little room left to add more passenger cars to trains or even to schedule more trains.



Great expectations

Recognizing that CUS's current configuration is limiting its future potential, the city and Amtrak have been planning. The Chicago Department of Transportation (CDOT) partnered with Amtrak, Metra and the Regional Transportation Authority (RTA) to produce the Union Station Master Plan in 2012.

This Master Plan looks to the year 2040 and beyond. It anticipates significant increases in demand for commuter and long distance train travel and it recommends ways to expand the station's capacity to meet this future demand.

According to the Master Plan (2012), ridership on trains arriving and leaving Union Station is forecast to rise

from 33.4 million to 51.4 million annually by 2040. That’s a 54% increase. What’s interesting is that intercity riders become a much larger part of the total share. Ridership on intercity trains (service currently provided by Amtrak) rises from 3 million annually to 9.5 million—a 217% increase—far greater than Metra’s anticipated 27% increase. Thus, intercity passengers rise from just 9% of station users today to 19% by 2040.



Amtrak map—all roads lead to CUS

A large part of the expected surge in intercity passengers comes from improvement of service, with greater speed and frequency of trains. The Master Plan assumes that, by 2040, intercity trains will operate at 110 mph on major routes of the Chicago Hub Network of routes (as designated by the U.S. DOT), which will significantly shorten travel times between cities. While most Amtrak trains currently run at 79 mph, the 110-mph trains will be competitive with auto travel to St. Louis, Detroit and other destinations.

Looking further out to the year 2060, the Master Plan foresees another large increase to 72.9 million annual passengers arriving and departing from Union Station. Again, the great part of this increase comes from intercity passengers, which rise from 9.5 to 26.6 million—a 180% increase. Metra passengers, meanwhile, increase by just 10% following long-term trends. Thus, intercity passengers are expected to account for 37% of station users by 2060.

This optimistic assumption for intercity train travel assumes that major routes are converted to state-of-the-art high speed rail with trains running at 220 mph. This requires the construction of a Midwest High Speed Rail system. A true HSR system would make trains to St. Louis, Detroit, Cleveland, Indianapolis, Cincinnati and the Twin Cities competitive with air travel. It’s an expensive yet realistic system, discussed at length in Part 2.

The Master Plan shows that Amtrak and the City of Chicago have big expectations for Union Station. The station needs more capacity for the significant increases in Metra and intercity ridership of the past 30 years. Metra ridership will continue to grow at a moderate rate. Faster trains and, eventually, high-speed trains of the proposed Chicago Hub Network would further boost traffic. The station’s tracks and platforms will need to accommodate more people and trains for all of this. Clearly, major changes are required to expand a train station that’s already operating at capacity.

Concourse correction

Chicago Union Station is a unique two-sided terminal station, one of the few such train stations in the world. It is a double stub-end station with 10 tracks on the north concourse and 14



On the Canal Street ‘pedestrian island’

tracks on the south. There are, however, two pass-through tracks that were originally built to move mail and freight cars from one side to the other. These bypass the concourse on its eastern side along the Chicago River.

The Master Plan, if implemented, will keep the basic double stub-end layout in place for now. What is perhaps most interesting about its recommended improvements, however, is that they aim to restore the original functions of the headhouse and to recover much of what was lost when the concourse building was destroyed. The plan brings the two parts back into close working relationship. It helps to overcome the current feeling of separation of the headhouse and the basement concourse.

The Master Plan looks forward in three phases: short term, medium term and long term/visionary. The short term ideas focus on improving traffic flow on the streets around the station, especially busy Canal Street. Most of the ideas have been implemented, most notably the Union Station Transit Center, a \$41.5 million facility built by CDOT on the block just south of the headhouse. Opened in 2016, it's a nice looking sheltered bus station that provides boarding for six CTA bus lines to/from Union Station via the new 'Loop Link' dedicated bus lanes on Madison and Washington streets. CDOT also built a nice pedestrian 'island' in the middle of Canal Street, which could someday have stairs leading straight down to the concourse level below.

The Master Plan's medium term ideas became 13 projects in what Amtrak now calls Phase 1. The plan estimates their total cost to be approximately \$200 million. Their intent is to improve the passenger experience and access to trains while adding capacity for even more passengers. These medium term improvements should give the station sufficient capacity to at least the year 2050, according to CDOT planners.

They will open up the east-west and north-south flows of movement within the station, thereby restoring the clear sightlines from headhouse to concourse that the station once



A reconfigured concourse...



with escalators to be realigned

had, at least to some degree. Amtrak has already begun this work by putting ticketing functions and passenger waiting areas back into the headhouse, where they were originally intended to be.

Phase 1 calls for making a nice lobby space at the Canal Street entrance to the concourse, pushing aside the bulky escalators to open the east-west flow of movement between the concourse and the Great Hall. It also calls for better vertical movement, opening new entrances along Canal and Jackson streets that lead straight down to the platforms and the trains. All of this should greatly ease movement in the concourse and improve access for daily commuters.

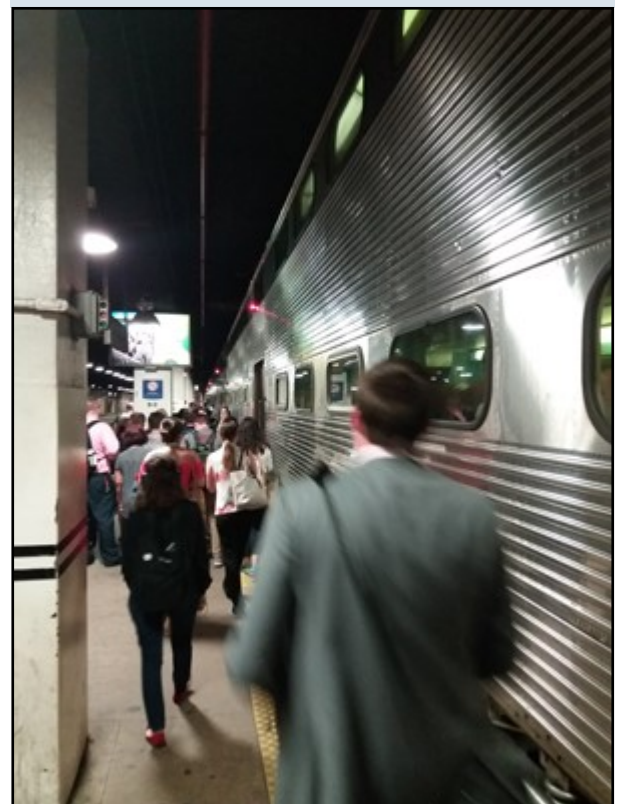
The plan goes to the guts of the station, to the train tracks themselves. It will take out the old luggage platforms between tracks in order to realign tracks and make wider, more spacious passenger platforms. And it will convert the old, unused mail platform that lay southeast of the south concourse's passenger platforms, running below the Old Post Office between Van Buren and Harrison Streets (the Post Office stopped moving mail by train decades ago). This spacious 100' wide platform will be split into two passenger platforms, accessed by a renovated tunnel that comes out from the concourse's basement. These new platforms will be served by trains on at least one of the through tracks.

Phase 1 also looks to nearby Ogilvie (formerly North Western) Station just to the north at Canal and Madison streets. For a century and a half the two neighbor train stations have been kept apart. Phase 1 finally connects them, at least in a small way, by a pedestrian passage beneath Canal Street. It will also open a pedestrian passage south to the CTA's Blue Line, albeit through a long tunnel to the Clinton Street station several blocks to the south. It's a long-overdue attempt to replace the excellent connection that once existed to the West Side Elevated that went directly over the south platforms (demolished 1958). At least it will finally restore a much needed – although weak – link between city transit and the regional and national rail systems.

All of this is just to maintain acceptable levels of service for Union Station as passenger levels gradually rise. In mid-2016,



The plan will improve access...



and widen the crowded platforms

Amtrak and partners (CDOT, Metra, RTA) announced that they were jointly funding a 'Phase 1a' study for design and preliminary (30%) engineering of the 13 medium term improvements. They secured \$7 million in federal, state and local funds and retained the Arup consultancy for this work. This initial phase wrapped up in 2018; when final design and construction will actually get underway is unclear. Funding for the \$200 million program is not secured.

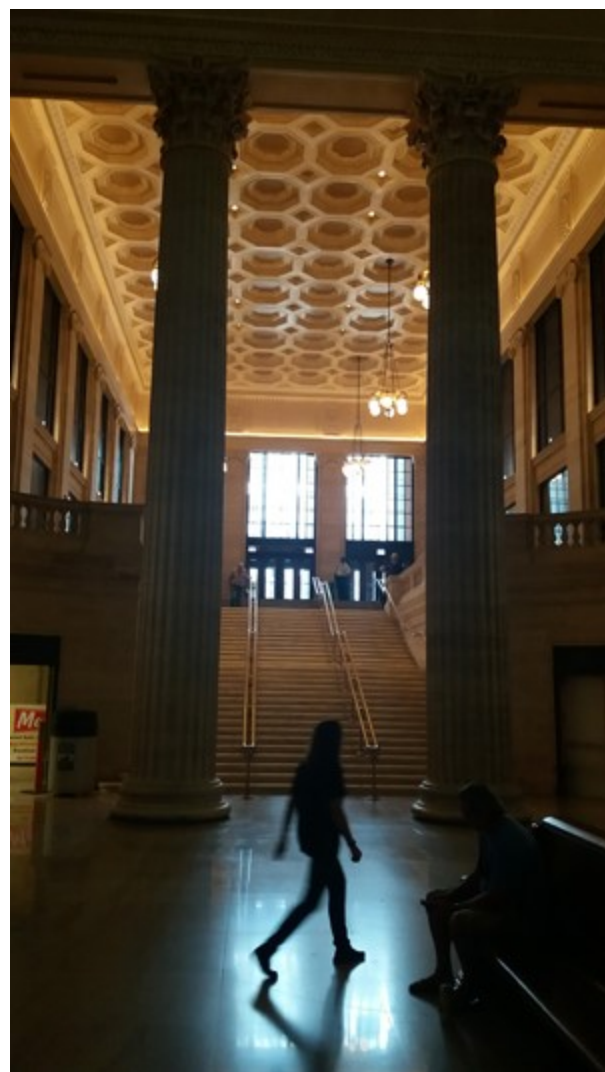


Headhouse hopes

CUS currently operates at or near capacity during rush hour periods. The Master Plan's medium-term projects focus on the real throbbing heart of the complex, the concourse, platforms and tracks. A failure to implement them will mitigate the station's ability to sustain ridership growth. More, it will diminish its ability to spur economic development for years to come. But how to fund them?

This question compels a look across Canal Street to the still-intact historic headhouse. Good fortune fell upon this building in recent years as property values steadily rose west of the Loop. The old warehouse and factory district suffered through decades of disinvestment but about 30 years ago began to come to life. Its lower property tax base and the need of many downtown companies for new office space spurred mid-rise commercial and residential construction throughout the West Loop. Development was boosted by millions of dollars channeled to developers through the Canal-Congress TIF district, which was designated in 1998 (expires 2022).

Meanwhile Amtrak remained committed to CUS, finding \$115 million in federal funds for upgrades to the train yard and train control infrastructure. And, realizing that it has a gem on its hands, Amtrak also ponied up \$60 million, mostly its own money, for headhouse renovations. Work began in 2010 with new air conditioning, asbestos abatement and improved sprinkler systems. Amtrak proceeded to restore and revive the station's most famous elements: the great colonnaded entry along Canal Street, the grand staircases leading down to the



Great Hall, and the magnificent skylight 115 feet above the stone floor.

The travertine stairs were, according to Amtrak, refurbished with stone from the same Italian quarry that provided the stone for them back in the 1920s. Now work is underway to renovate and protect the barrel-vaulted skylight, allowing soft, filtered light to infuse the marbled space. The skylight alone is a \$22 million project.

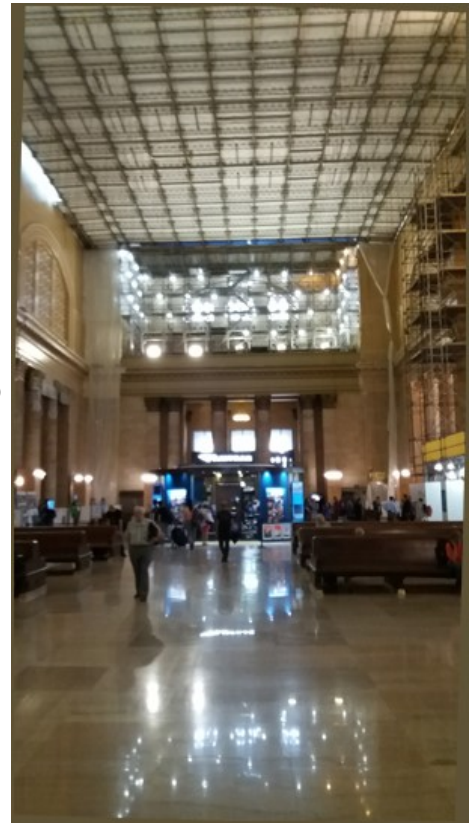
Amtrak is reopening long-shuttered entrances and closed-off, hidden sections of the massive building, making new lounges and waiting areas to welcome passengers into the Great Hall again. The Legacy Club, with a unique meeting room in the old barber shop, opened in 2015. The Metropolitan Lounge, a bi-level space for Amtrak's business class passengers, opened in 2017. The Burlington Room, a conference space adorned with the elegant murals of the former women's waiting room, opened in 2018. Amtrak is now trying to snag a tenant for the old Fred Harvey lunchroom space, which is very large and could actually be split into several venues with a new entry from Clinton Street.

These spaces are restoring the intended purpose of the Great Hall as an impressive and comfortable passenger waiting area. And they're giving Amtrak nice rental facilities in the burgeoning West Loop. But Amtrak and the city have much higher ambitions. They're looking to develop Amtrak's underused property and stimulate development in the vicinity around the station.

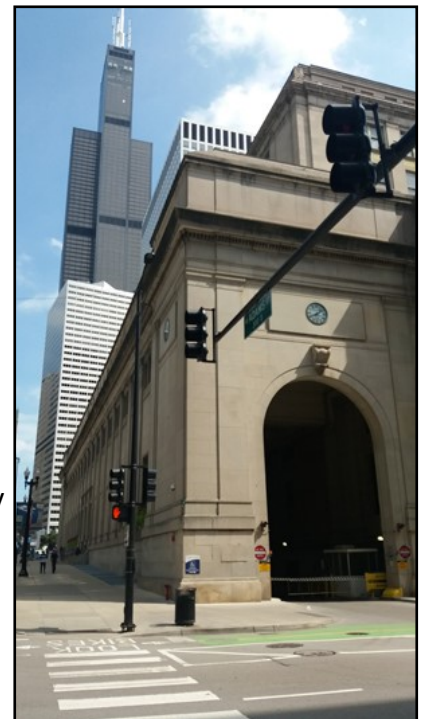
They now have a Master Development Plan for the headhouse and the block south of it. It's a mixed use plan for hotel rooms and a high rise office tower. Presumably, this development will be linked to a value-capture scheme that channels funds toward the train station's medium term improvements. But how this occurs has yet to be seen.

Headhouse high-rise demise

Of the many remarkable features of Union Station, one of the most remarkable is that its headhouse is truncated. It's much shorter than originally intended. As designed in 1920 by the architecture firm Graham, Anderson, Probst & White, the building rose to 22 stories. CUSCo saw potential value in leasing the floors over the headhouse to help fund the station's development. However, zoning rules required such a tall tower to have setbacks, which were difficult to configure with the building's deep light well over the skylight. So, although it was given a sturdy base with additional caissons sunk to support a high tower, it was topped off at 8 floors with offices occupied by the



Skylight under repair



Not tall enough?

railroads.

It has stayed that way ever since, although Amtrak has been trying to finish the job. The historian Fred Ash, author of the book *Chicago Union Station*, has counted no less than nine proposals to build a tower atop the headhouse, all foiled by the sheer complexity and time required for the project. The last one was felled by the '08 recession. Now Amtrak has its Chicago operations in the building; otherwise the office floors above the headhouse are vacant. But the idea of building it higher was a key part of the Master Development Plan.

Amtrak selected a development team in May 2017 after a lengthy review of proposals. It is led by Riverside Investment & Development Company, well known for its development of the 150 North Riverside office tower, a new air-rights building between Lake and Randolph Streets. That work should have, hopefully, given the company an acute sensitivity to the unique requirements of passenger rail facilities.

The developer's initial plan, unveiled in mid-2018, showed a seven-story glass and metal cube plunked atop the headhouse. Needless to say it raised eyebrows. The Chicago Tribune's architecture writer called it 'a squat modernist box' on top of the neo-classical building, while another critic openly wished for the city's Landmarks Commission to kill it.

Public outcry had some positive effect as the metal cube disappeared from subsequent drawings, replaced by the nice rooftop deck with 'penthouse suites,' as presented at a public hearing in September of 2018. Indeed it appears that the idea of building a tower atop the headhouse has been finally laid to rest. But the old offices of its upper floors are to be converted into 400 hotel rooms. And new retail space will brighten the street level along Adams, Clinton and Jackson streets. A very tall office tower will rise on the block south of the headhouse, replacing Amtrak's old parking garage. The newly built bus transit center, on the north portion of that block along Jackson, will be left intact.

At a public hearing in June of 2018, it was stated that the project would generate \$21 million in annual real estate taxes, \$3.5 million in annual hotel taxes, and \$2 million in annual sales taxes. The real estate tax estimate was reduced to \$19.5 million in September. So it appears that the developer, and the city, made a significant concession in reducing the scope of the headhouse development. Amtrak, according to the developer, suffered no reduction in its 99-year lease on the property. But nobody at the hearings said where the property tax revenue would go.

Moving the money

In 2016, the State of Illinois passed legislation enabling the City of Chicago to fund four critical transit projects by using Transit Facility Improvement Area (TFIA) financing. It is a value-capture mechanism much like the well-known, rather notorious TIF districts that now blanket large areas of the city. But a TFIA is project-



Public hearing in the Burlington Room

specific, meant to finance transit needs with tax dollars generated by rising values on properties near train tracks. And unlike a typical TIF, its property tax base is frozen for 35 years (not 23 years), and will not deprive public schools of levies on increased property values within the area. The rest of the new tax money generated will be split 80 percent for the transit project and 20 percent for other taxing bodies.

The authorized TFIAs— commonly referred to as ‘Transit TIFs’— are for the following:

- The CTA’s Red and Purple Line modernization;
- The CTA’s Red Line extension to 130th Street;
- The CTA’s Blue Line modernization;
- The Union Station renovation and transportation improvements.

So far, just the Transit TIF for the \$2.1 billion Red and Purple Line modernization has been approved by City Council and put in place. It runs a mile-wide swath along the tracks from North Avenue all the way up to Devon. With the expected tax increment from this, the city has been able to leverage approximately \$1.6 billion in federal grants and low interest loans.

CUS should benefit enormously from a Transit TIF. Apparently, Amtrak does not pay property taxes on station related real estate, though it does pay taxes on land leased to air rights (CUSCo did pay taxes when it was railroad owned). Therefore any new development should rapidly create an increment. This should let the city actually subsidize Union Station’s redevelopment up front, with the assurance that it will be paid back by future tax payments in the TFIA.

Civic groups that supported the TFIA law pointed out that similar approaches have worked well in cities such as Denver, which financed its new Union Station with tax increment from a special transit area. The local value capture became the basis for Denver to win millions of federal dollars through Transportation Infrastructure Finance and Innovation Act (TIFIA) loans and Railroad Rehabilitation and Improvement Financing (RRIF) loans. The example is certainly auspicious for Chicago, where the promised \$19.5 million in annual real estate taxes will become a decades-long revenue stream to leverage hundreds of millions for the train station’s redevelopment.

The same civic groups that backed TFIA have also expressed great enthusiasm for the idea of turning CUS into a ‘place’ (in the lingo of planners) or a ‘destination’ (in the lingo of realtors) in the West Loop. No doubt the developer, and Amtrak for that matter, would be very pleased to see CUS become a popular place that’s a fun new destination in Chicago. But it’s really not the point of the whole effort; Chicago already has a lot of popular places.

The point is that CUS is a train station that’s vitally important to the city’s and the region’s transportation system. And it will become even more so in the future. Therefore everything should be done to fund its ongoing redevelopment and nothing should be allowed to block it. The promised revenue, a windfall of the West Loop’s



Along Clinton Street—can CUS become a place?

fortuitous rebirth, must be captured for the train station.

What is Amtrak up to?

Last year, without seeking regulatory approval, Amtrak suddenly dissolved CUSCo and merged CUS into itself. This rather imperious move caused quite a fluster at Metra, which complained to the relevant regulatory body, the U.S. Surface Transportation Board (STB). Metra claimed that the STB should retain some oversight over CUS, lest Amtrak use its total control to force unfavorable terms upon its tenant (Metra). This past spring the STB stated that Metra has some justifiable concerns and cautioned Amtrak to tread carefully. There the matter rests for now.

Amtrak will remain a key investor, together with the City of Chicago, in Union Station. Therefore its interests and intentions must be understood. Metra also has a huge stake in the station's future, not so much as an investor but as a tenant. So Metra focused on what affects its negotiations with Amtrak in the CUSCo flap, which garnered all the press attention (Metra obviously having a pretty effective press office).

But it's likely that Amtrak had several motives for dissolving CUSCo. For one, CUSCo was an Illinois for-profit corporation. It always had cash coming in from air-rights and concessions but it generally operated near break-even. The new hotel and office developments, under 99-year leases, would create much larger revenue streams, causing CUSCo to face the prospect of having to pay state and federal corporate income taxes. This has been avoided. Also, Amtrak has streamlined its organizational structure in Chicago, which should help it to manage a very complex real estate redevelopment plan.

Of course now that CUSCo is gone, Amtrak will not need to segregate funds and is freer to channel income from Chicago into its operations elsewhere. The city cannot really stop this, although it could potentially use its political clout to compel Amtrak to retain earnings in Chicago as part of a deal for public funding. For now, it appears that Amtrak is continuing to invest significant capital dollars in Union Station, which is a net gain for the city. Indeed, no matter how Amtrak decides to allocate its earnings from the development deal, there should be significant tax revenue from the development to leverage funding for Phase 1.

From millions to billions

However the politics play out, it appears that Amtrak and the City of Chicago have a shared interest in getting the \$200 million program of medium term Phase 1 projects funded and built. They're slowly making progress without financial assistance from the State of Illinois which is broke. That is probably a precedent for the future.



Adams Street entrance to the basement concourse

For now, what's critical is to put a Transit TIF into place at Union Station and get development going there. The 2-block area stands to generate an enormous amount of tax revenue earmarked for CUS. This, together with some Amtrak contribution, should provide the required match for federal funds and then some. The city and relevant agencies won't announce anything until a deal is in hand, but they need to be watched carefully.

In addition to the Master Plan's medium term projects are its long term or 'visionary' projects. These go well beyond what's required to outfit Union Station for another 20 to 30 years. They make CUS the centerpiece of a transformative transportation system, one that powers the future economy of the Chicago metropolitan area and the whole Midwest. Such transformation will require billions of dollars to develop high speed rail and an innovative regional scheme called Crossrail. This long-range perspective on what Union Station should become is the subject of Part 2.



References

Data on Metra trains and commuters came from current schedules for the six routes using the station, and from a table of downtown station boardings over time, courtesy of Metra.

Data on Amtrak trains and passengers came from its State of Illinois Fact Sheet, fiscal years 2005 and 2015.

Forecasts and plans came from Union Station Master Plan (2012), specifically:

- Overview, see <http://www.unionstationmp.com/background/2012master.php>
- Chapter 3, p. 32. See <http://www.unionstationmp.com/wp-content/uploads/2012/05/3-Background.pdf>
- Chapter 4, p. 58. See <http://www.unionstationmp.com/wp-content/uploads/2012/05/4-Ideas-for-Improvements.pdf>

Much information on Union Station's history and current status came from an excellent new book by Fred Ash, entitled *Chicago Union Station* (Bloomington: Indiana University Press, 2018).

A helpful article came from Aaron Renn, "Is Chicago Union Station Redevelopment Soldier Field 2.0?," *Urbanophile*, see <https://www.urbanophile.com/2018/06/26/is-chicago-union-station-redevelopment-soldier-field-2-0/>

I obtained a lot of useful information and helpful insights from officials at Amtrak, CDOT and Metra, as well as from attending two public hearings during summer of 2018. All opinions expressed in this essay are my own.

Please comment, alanm240@yahoo.com

