

# CNJ Train Shed Funding Feasibility Study Report



Prepared for:  
Liberty Historic Railway, Inc.  
December 2013

# Prepared By

---

**George C. Ruotolo, Jr., CFRE**

Chairman and CEO

**Theresa A. Shubeck**

Executive Vice President

# Table of Contents

---

▪ A Word of Thanks	4
▪ Executive Summary	5
▪ Methodology	8
▪ Study Findings	11
▪ Reactions to the Statement of Needs	18
▪ Indications of Philanthropic Support	33
▪ Final Thoughts	36
▪ Appendix	37

# A Word of Thanks

---

Ruotolo Associates (RA) sincerely thanks all those who willingly gave their time, valued opinions and ideas during this Feasibility Study for Liberty Historic Railway, Inc. (LHRy).

We extend particular appreciation to William J. McKelvey for the opportunity to be of service and for his vigilance and dedication to addressing the critical issue of restoring this historic and integral element of our culture.

We are privileged to have conducted this study.



George C. Ruotolo, Jr., CFRE  
Chairman and CEO  
Ruotolo Associates Inc.

# Executive Summary - 1

---

- In June 2013, Ruotolo Associates (RA) began the active phase of a confidential feasibility study designed to test a number of key factors related to launching a comprehensive capital campaign for LHRy, including:
  - Overall strengths, challenges and awareness of LHRy
  - Reaction to the Statement of Needs/Prospective Case
  - Interest in philanthropically supporting the project
  - Issues which support or detract from a successful campaign
- Recommendations are informed by nine personal and confidential interviews and 1 focus group

# Executive Summary - 2

---

- Through the course of the interviews, a number of key themes emerged:
  - ❑ Disappointment with the State's disinterest and lack of support for the restoration of the train shed
  - ❑ Challenge to building a coalition of impactful individuals and funders that could accomplish this initiative
  - ❑ Devastation, distraction and uncertainty caused by Hurricane Sandy, and its impact on other projects in the Liberty State Park, Ellis Island, and Liberty Island triangle
  - ❑ Overall lack of cultural interest in historic preservation ("It is an American kind of problem – we don't value it.")
  - ❑ Because there is no cultivated constituency, securing interviews with individuals of interest, influence and affluence was challenging.

# Executive Summary - 3

---

- The majority of those interviewed applauded the efforts of LHRy, but sympathized with their unenviable predicament, namely, that without a champion in local, State government and the public at large (e.g. Lee Iacocca's leadership within the Statue of Liberty renovation of the 1980s), the project would remain inert ("None of this (proposed project) would happen without cutting through the bureaucracy.")
- Anyone who drives to Liberty State Park and walks along the extended path, past the train shed, to the launch site for ferries to Ellis and Liberty Islands, passes the "eyesore" that is the train shed in its current condition.
- Since no leadership level financial support (private or public) was forthcoming, a capital campaign is not recommended presently. The State or federal government would need take the lead on the project, provide critical public funding, and recruit leadership from the private sector, for the stabilization and restoration of the train shed to occur.

# Methodology (1)

---

- Initial study candidates were identified by Bill McKelvey, Martin Robins, board members, and Theresa Shubeck
- An initial planning session was conducted, with a series of conference call follow-ups to further discuss study candidates
- Research was conducted by RA regarding prospective support from private foundations and corporations
- RA also researched names and contact information for the prospective study candidates
- Board member names and contact information were also researched and provided by RA
- A prioritized list of 43 potential respondents was created and each interviewee and focus group participant was subsequently asked to recommend additional names.



# Methodology - 2

---

- Individuals, foundations and corporate prospects totaled 35 (additional foundation board members are not included herein) for interviews. These ranged from philanthropists, environmental leaders, public officials and funders, and non-profit leadership
- Additional focus group candidates (approximately 8) were also identified
- Individualized strategies were created through discussion between Bill, Martin and Theresa. An initial call or e-mail was required by Bill or Martin prior to an interview invitation

# Methodology - 3

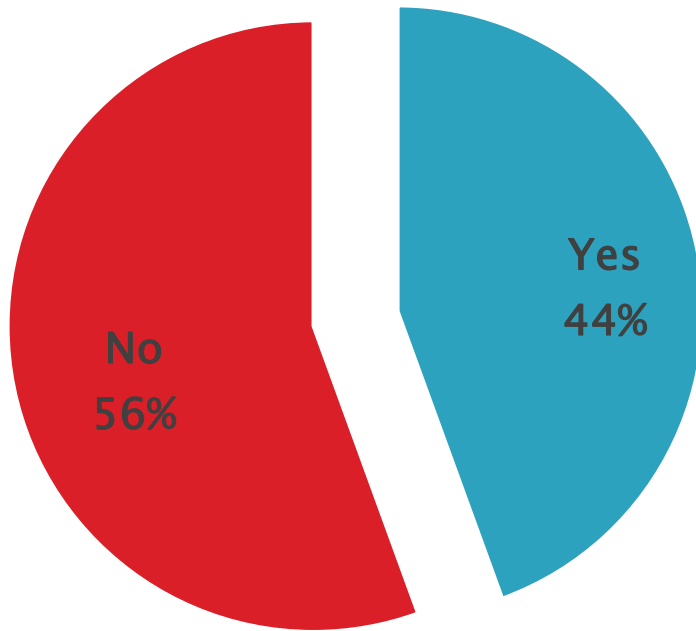
---

- RA produced electronic letters of invitation and e-mailed them to candidates
- RA conducted follow-up calls to schedule interviews
- During the course of the initial phase of interviews, it became clear that the scope of the study (20-25 interviews) was overly ambitious, as evidenced by the lack of responsiveness, familiarity and depth of relationship with prospective study candidates
- It was mutually agreed that a downscaled approach was more appropriate in order to provide the information and evidence for recommendations

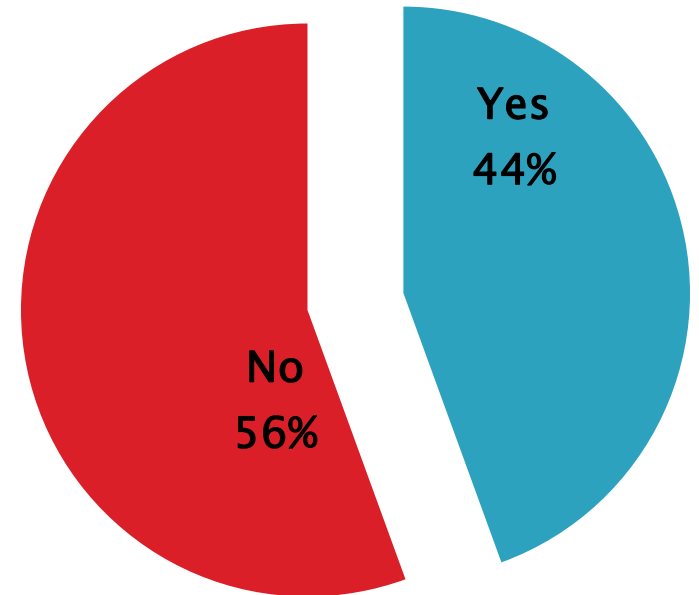
# Profile of Study Participants

---

- Have you ever been interviewed for a feasibility study?



- Beyond the study, were you involved in the campaign?



# Study participants included individuals with the following backgrounds:

---

- Grant writer for history and preservation
- Architect/engineer
- Director of Development of non-profit
- National parks supervisor
- Waterfront preservationist
- Transportation historian
- Marketing executive
- Railroad enthusiasts
- Board members of railroad/transportation non-profits
- Attorney
- Lifetime railroad managers
  - *89% of respondents said they were “Very familiar” with LHRy*

# What 3 words first come to mind to describe LHRy's objectives? - 1

---

- Lack of cohesive vision for Liberty State Park
- Train shed has been ignored and it is a National tragedy
- The state of the train shed sickens me
- Should have started this 30-40 years ago
- Huge project
- Ambitious
- Vitally important
- No membership
- No constituency

# What 3 words first come to mind to describe LHRy's objectives? - 2

---

- Finding balance between aspirations and practical – this project brings it into focus
- Like a David (LHRy) & Goliath (State of New Jersey)
- State has interest in Liberty State Park but very little interest in railroads.
- “If it was not for the railroads, Liberty State Park wouldn’t exist.”
- Dedicated to goals they have set for themselves
- Ambitious
- Have a plan and vision

# Does LHRy Communicate Effectively with you?

---

- Yes – 66%
- It is tough for them - they are a small operation – and on a month-to-month basis, there is often nothing happening for them to share with us.
- I was recently on a joint task force with Marty & Bill about transportation in the park and am well-informed.

# What are the Particular Strengths of LHRy?

---

- Committed and caring individuals
- Dedication to a project that the government should have handled long ago
- Lovely project, but bad timing
- Given limited resources and unreceptive government – they've pushed this worthy agenda ahead
- Clear solution is a check for \$40 - \$50 million
- Not familiar enough to say anything helpful
- This was part of a plan approved by Governor Kean in 1989 at the 100<sup>th</sup> anniversary of Liberty State Park
- Not easily deterred



# What are the Particular Weaknesses of LHRy?

---

- They are just in a tough position because they are all alone carrying this banner
- Money was spent on the station and they should have done the train shed at the same time
- Too much bureaucracy for them to deal with
- The more they can get the State to handle this, the better the chances
- Egos and processes...and LHRy has done an incredible job managing that
- Not familiar enough to say anything helpful
- Educating the public and potential funders
- Those who use the park don't know what it is

# Overall Reaction to the Statement of Needs - 1

---

- State NOT behind the project.
- Pretty accurate describing the situation and the fact that if something doesn't happen soon, there won't be anything left to preserve.
- They were planning a train museum in another part of the State. The simplest use for this structure is a railroad museum. LHRy is basically seeking a museum preserving a structure and actually something with working trains.
- State parks extremely concerned by what it would cost.
- It would require someone with energy and vision.
- Meanwhile, the structure continues to deteriorate.

# Overall Reaction to the Statement of Needs - 2

---

- Solar panels a great idea - if not all of the electricity for the park, then a lot of it.
- Heard quite a bit about the running of the train shuttle and controversy over it with the Friends group – I’m in favor of it.
- Surprised at estimated cost – think it’s really a lot more.
- Is there a “there” there?
- Potential for future flooding means none of this is possible – no commercial operation will bite.
- It is an eyesore with plenty of safety concerns.
- Well organized and concise.

# Overall Reaction to the Statement of Needs - 3

---

- There is vast negligence in not addressing this for 35 years.
- Didn't know about \$14 million.
- State is expert in destroying our heritage.
- Using platforms in center may be tough because of open space.
- This is adaptive reuse.
- I believe less expensive materials can be used, but the State ignores that suggestion.
- Can this be partial or is it compromised then?
- Exhibit would need to be mobile.

# Overall Reaction to the Statement of Needs - 4

---

- Years ago there was a vision for a transportation museum – floundered in Phillipsburg.
- Europe understands preservation far better than we do.
- How can we use this in the spirit with which it is?
- It is an American kind of problem – we don't value it.
- Natural augmentation to what's there.
- Whatever's done to it must be sustainable.
- Right on the money.

# What are your thoughts regarding the purpose and vision of LHRV? - 1

---

- Priority is main terminal building – lost main structure in Hurricane Sandy – now no bathrooms or no electricity
- \$23 million does nothing
- FEMA is being difficult about park – priority is Statue and Island
- The whole park was rail yards – many functions regarding railroads. One of the problems is that Ellis Island still has a number of buildings to restore and competing organizations for money. There were 40 buildings – never been able to raise the money for 20 years to do it (for example a conference center, etc.). They would be going to the same funders.

# What are your thoughts regarding the purpose and vision of LHRV? - 2

---

- You need full support from everyone.
- Experts have said that any park or place in America has 1/3 of what we have to offer.
- Terminal still 1.5 years from opening.
- Battle's been lost to be a railroad experience.
- Fixing it up great, but outrageously expensive.
- Transit museum in NY underutilized – why would this one be different?
- The need to create a destination in the park is acute.
- No reason right now to go there – isn't a compelling destination right now, so no one would visit this as a side trip.
- The vision has been crushed:
  - Trolley shuttle – crushed by Friends of Liberty State Park

# Is the Statement of Needs Comprehensive?

---

- Yes – 87%
  - Gets the gist of it
  - Whole history of terminal with sheds & immigrants
- Somewhat – 13%
  - Don't see people travelling there to buy stuff
  - Restaurant not realistic
  - Describe that it would survive another Sandy-type event
- Anything missing?
  - Maybe have pictures of deterioration along with it
  - Take away the hub reference – people don't like those train shuttles
  - Other choices to reduce cost – e.g. renovate just 3-4 tracks



# Additional Comments Regarding the Statement of Needs - 1

---

- The State will want to know about their own potential support, “how does this grant help support its constituency, not the mission of LHRy.”
- Ellis Island not up and running.
- No infrastructure to manage \$23 million project.
- Friends of Liberty State Park won't allow trains in park.
- When we look at concessions, restaurants, etc., we look at if they are absolutely necessary for visitors.
- Terminal ferry retail just does OK.
- Already 2 restaurants in area, but I do get the idea of the need for revenue.

# Additional Comments Regarding the Statement of Needs - 2

---

- Renovating a few tracks at a time provides an opportunity to test process and attract attention
- Commercial denigrates historic fabric of building.
- Maybe don't restore all 20 tracks, just some and use rest for exposition.
- Must have creativity and compromise.
- Have to establish presence of what it was and then go on to something else.
- Restore 6 tracks with wall of mirrors.

# How would you Rank the Elements of the State of Needs (1-6)

---

- Space for interpretive initiatives – 1.7
- Covered open space – 2.2
- Pedestrian connection – 3.4
- Terminus for park transportation - 3.6
- Solar panels – 4.6
- Retail/entertainment – 5.2

# Comments on Ranking of Elements - 1

---

- Can't because I don't think you can get this done
- Only agree with retail space and solar panels – how about making it into a destination for an organic market?
- There's nothing in the terminal building right now to see
- Everything is important
- Let retail fall as it occurs
- Don't know where else this has happened well
- Whatever would preserve the structure is what is most important
- Putting the panels on the top would reduce carbon footprint, etc.

# Comments on Ranking of Elements - 2

---

- Very easy to get there – not many big open, protected spaces
- Can't see it without track going down to get trains out because it will flood again
- Solar panels OK, but only if they can be mounted to not detract from appearance, e.g. southern side
- Should be 3 focuses:
  - ❑ Shuttle
  - ❑ Display pedigree railroad equipment
  - ❑ Jumpstart restoration
  - ❑ None of this will happen without cutting through bureaucracy

# Additional overall comments on the Statement of Needs

---

- Most visit Statue of Liberty by auto
- Too grandiose – might not be possible
- Overall advice – dedicate a portion only for railroad and focus on sustainability
- Preserve EFFECT of train shed
- We are still riding on incredible wealth that railroad helped create
- New Jersey has an embarrassment of historic niches – we need to start doing
- Statue of Liberty diminished by this eyesore
- Bill's efforts are very laudable

# Please Rate the Statement of Needs on a Scale of 1-10 (10= highest)

---

- Two extremes:
  - Rated #1 – 25% of respondents
    - This rating was due to concern that a full renovation and restoration was the appropriate strategy, rather than a phased approach.
  - Rated #8-10 – 75% respondents
- Comments:
  - It is a really interesting, historic structure that should be preserved and reused in some way. It becomes a problem of finding the money.
  - Part of OUR story – another link in the chain of Ellis and Liberty Islands.

# Do you believe \$23 million can be raised?

---

- Yes – 22%
- No – 66%
- Not sure – 12%
- Comments:
  - ❑ I would contribute, but nominally.
  - ❑ I would be willing to run a fundraiser to raise a few thousand dollars.
  - ❑ No one who uses the park will use or visit this.
  - ❑ Ellis has tried to raise money and been unsuccessful.
  - ❑ We could reasonably be on the national list of historic endangered structures, but we are in competition with a lot of endangered structures.
  - ❑ Will happen if Congress ever passes a new transportation bill, there might be money in it.
  - ❑ Will happen if Cory Booker elected and excited; that is the way to do it – public and private funds.



# Would you Philanthropically Support the Project?

---

- Yes – 22%
- No -67%
- Maybe – 11%
- Comments:
  - Nominally
  - Check out money from Sandy Supplemental from the Army Corps of Engineers
  - My support won't matter
  - Need to find a construction engineer to fund it
  - Wait until Christie becomes president
  - Governor Kean should help
  - We would support it in theory but not in cash
  - Need a high-powered board first
  - Also need money to sustain operation
  - Not sure private sector should be included

# What issues would impact a campaign's success? - 1

---

- Competition with train station, Ellis Island and Liberty State Park
- Train shed in the new flood zone – both a problem and an opportunity.
- If you built the museum, you would need a track to get the exhibits out.
- There's a lot of money for Sandy reconstruction.
- How realistic would a visit be? 70% of visitors do both Liberty and Ellis Islands – that's all 3 hours together; 100% do the Statue...that leaves little or no time to add the train shed to that trip.
- Get the State behind it, otherwise your efforts are wasted.

# What issues would impact a campaign's success? - 2

---

- Ideas must tie into Jersey City.
- Sticking retail in won't make it work.
- Have weekly farmer's market and keep it in the public eye.
- Liberty State Park – full of weekly cook-out people because they are from neighborhoods without backyards – they will not visit a train shed.

# Final Thoughts

---

- The vision, aspirations and commitment of LHRy's leadership represent the finest aspects of ingenuity and forward-thinking so praised in our country.
- Preservation of our past in order to both honor and learn from it is, figuratively, priceless and beneficial to every citizen.
- Unfortunately, the proposed stabilization and restoration of the deteriorated Central RR of NJ, Jersey City Terminal Passenger Train Shed is a project whose cost has produced malaise, rather than motivation.
- Superstorm Sandy's devastation has attracted even more attention and government support for the terminal building, and Liberty and Ellis Islands.
- Only through a government initiative will the train shed be restored and therefore become the final wonderful piece of a comprehensive campus for Liberty State Park.

# Appendix

---

- Statement of Needs
- List of Study Participants

# Statement of Needs for Stabilization of CNJ Passenger Train Shed at Liberty State Park -1

---

## **Our Purpose:**

Liberty Historic Railway, Inc. (LHRy), established in January 2010 as a non-profit, public benefit corporation, is working to:

- Inspire a long-delayed stabilization and restoration of the deteriorated Central RR of NJ, Jersey City Terminal Passenger Train Shed. The Passenger Train Shed is an integral part of the Jersey City Terminal complex which is listed on the New Jersey and National Registers of Historic Places, and owned by the NJ Department of Environmental Protection;
- Educate the public about the history, development, operation, and functions of the railroad within Liberty State Park;
- Preserve and display historic railway equipment by allowing them to be displayed and interpreted under the Shed;
- Promote development of rail transportation connecting the Hudson-Bergen Light Rail station and CNJ Passenger Train Shed. The purpose would be to facilitate the public's visiting the park via mass transit rather than by personal passenger automobile, thereby curbing the expansion of land in the park devoted to vehicular parking.

# Statement of Needs for Stabilization of CNJ Passenger Train Shed at Liberty State Park -2

---

## Why Stabilization...Leading to Restoration?

- The Train Shed structure, designed by Abraham Lincoln Bush and completed in 1914, is the largest of its type ever built, encompassing 20 tracks and 7.5 acres. Although abandoned and allowed to deteriorate since 1967, it is an important and connected part of the sole remaining building complex from the Central Railroad of New Jersey (CNJ) era at Liberty State Park.
- The Train Shed is a critical adjunct of the “Historic Trilogy,” the CNJ Terminal and the neighboring Statue of Liberty and Ellis Island Immigration Center. Two-thirds of the estimated 12 to 17 million immigrants who entered the United States through Ellis Island boarded trains here to points throughout the country to establish their new homes. The Train Shed is a symbol for the wide distribution of the great wave of nineteenth century European immigrants that formed the blue-collar foundation on which America's industrial affluence has been based.
- For 53 years passengers destined for lower Manhattan walked under this Shed and boarded ferries.

# Statement of Needs for Stabilization of CNJ Passenger Train Shed at Liberty State Park -3

---

- Restoration supports the mission of Liberty State Park: “...(to) provide public access to New York Harbor, provide an appreciation and understanding of its estuarine ecosystem, related transportation, and immigration history, and provide the opportunity to enjoy outdoor recreation activities.”
- In 2012 the Train Shed was added to Preservation New Jersey’s Most Endangered Structures List:
  - The Passenger Train Shed today is an eyesore with safety concerns which must be addressed immediately. A 2012 Assessment update, funded by LHRy, observed “...if action is not taken soon there will be no Shed left to preserve.”
  - Several sections of the reinforced concrete slab canopy roofs of a ton or more have already fallen. Many of the cast iron columns are cracked and will fail in the instance of a collapse of roof concrete or steel, The longer stabilization action is delayed the greater the danger of further collapse with harm to passersby and damage to the Concourse.
- The Friends of Liberty State Park, Statue of Liberty and Ellis Island, and many other stakeholders support the restoration of the Passenger Train Shed.



# Statement of Needs for Stabilization of CNJ Passenger Train Shed at Liberty State Park - 4

---

## **Analysis and Plans for the Future**

- In 2001 Curtis + Ginsberg Architects, NYC completed for the New Jersey Department of Transportation and extensive evaluation of the Passenger Train Shed and developed a Liberty State Park Train Shed Historic Preservation Plan for the State of New Jersey.
- Curtis + Ginsberg's comprehensive report documents the history of the Train Shed, current conditions, and provides recommendations for preservation and re-use of the structure.

## **Recommendations from Curtis + Ginsburg and LHRy regarding proposed uses feature both public and private benefit:**

- A pedestrian connection (815-foot covered walkway) from the parking lot, west of the shed, to the terminal concourse and National Monuments ferry slips to the east of the Shed
- A covered open space to be used for large exhibitions, gatherings, craft, food, and art markets, etc.

# Statement of Needs for Stabilization of CNJ Passenger Train Shed at Liberty State Park - 5

## Recommendations from Curtis + Ginsburg and LHRy regarding proposed uses feature both public and private benefit: (cont.)

- Retail, entertainment or restaurant space.
- A space for interpretive initiatives to present the terminal / park transportation history (heritage rail equipment display, role in immigration experience; effect of Black Tom explosion in 1916).
- A terminus for a park transportation shuttle
- Fitting of the 7.5 acre roof area of the restored Train Shed with solar panels to provide most, if not all of the energy needs of Liberty State Park, thus making the "People's Park" an outstanding "Green," clean, and renewable energy-using operation.

## Choices Ahead

- The 2012 Assessment updated the condition of the Train Shed and helps frame critical decisions regarding its future:
- The total cost of stabilization is estimated at \$23 million. This would include:
- Immediate shoring/environmental remediation/ roofing removal
- Concrete removal/ column, steel repair

# Statement of Needs for Stabilization of CNJ Passenger Train Shed at Liberty State Park - 6

---

## Choices Ahead (cont.)

- A phased stabilization is possible which would entail removal of the entire concrete roof and stabilization of one or more bays at a time.
- An alternative scenario of demolition of the entire structure will cost the State of New Jersey \$14 million. This cost of demolition will be incurred whether it is planned or occurs after structural collapse.
- Since the fiscally-challenged State has not yet set aside funding for this needy project, a private fund-raising campaign for stabilization of the structure is imperative and urgent.

The extraordinary history of and potential for the Passenger Train Shed structure and site, championed by the Liberty Historic Railway, provides the defining opportunity to complete restoration of Liberty State Park's campus. This structure, which has served as a gateway to liberty, commerce and opportunity, rivalling any internationally, is long overdue for restoration. It is hoped that all those who value this vision will seek to invest and collaborate in its future.

# Interview Participants

---

- Rafael Abreu, Director of Sales & Marketing, Statue Cruises
- Connie Claman, Director of Development, Liberty Science Center
- Tom Gallo, Vice President, Central Railroad of New Jersey Historical Society
- Mark Ginsberg, Curtis & Ginsberg
- Kate Gordon, independent philanthropic consultant
- Roland Lewis, President and CEO, Metropolitan Waterfront Alliance
- David Luchsinger, Superintendent, National Parks Service
- Frank Reilly, President, Central Railroad of New Jersey Historical Society
- William McKelvey

# Focus Group Participants

---

- Joe Macasek
- Bob Bodenstein
- Bill Pegg
- Bob Barth