Public-Private Partnerships for Railway Station Redevelopment

Esther Chiew
Bijwasan Station, Delhi, India
“In September, the railways held several pre-bidding meetings with potential investors but the plan failed to take off due to lukewarm response.”

-- Financial Express, Jan. 29 2014
Common alternate revenue source for railways

Consolidated Operating Revenue of Kyushu Railway Company, FY 2018/3

- Transportation: 43%
- Real Estate: 25%
- Retail and Restaurant: 15%
- Construction: 13%
- Other: 8%

Shares of MTR Corporation Net Income, 2000-12

- Railway and Related Operations: 34%
- Property Developments: 38%
- Station Commercial Business: 15%
- Rental and Management Business: 13%

Data: Kyushu Railway Company Annual Report 2018

Data: MTR Corporation Annual Reports, 2000-12, reproduced from Financing Transit-Oriented Development with Land Values
Principe Pio, Madrid, Spain
Denver Union Station

Source: Denver Union Station Master Plan 2004
KL Sentral, Kuala Lumpur, Malaysia
% shares in Centostazazioni, Italy

Private
- 40.5% Airport Management
- 40.5% Real Estate
- 15% Bank
- 4% RE & Sanitation

Public
- 60% FSI (Italian Railways)
**Concessionaire for Avenida de America Redevelopment (Madrid)**

<table>
<thead>
<tr>
<th>Type of Company</th>
<th>Share</th>
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<tbody>
<tr>
<td>Interurban Transport Operator (x2)</td>
<td>25.5% each</td>
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<tr>
<td>Construction (x2)</td>
<td>20.5% each</td>
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<tr>
<td>Bank</td>
<td>5%</td>
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<tr>
<td>Installations</td>
<td>2%</td>
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<td>Consultant</td>
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Construction work should not obstruct ongoing railway operations.

Nightmare on Spencer Street

Who will accept the blame for the way Melbourne's landmark project is languishing? No one, it seems, writes Ewin Hannan.

About 5.30 most nights, senior members of the Leighton Contractors construction team sit in temporary offices at Spencer Street Station, talking about the weather.

This is no idle, end-of-the-working-day chat. Armed with up-to-date Bureau of Meteorology forecasts, the group calculates whether the conditions in seven hours will permit work on the station's imposing wave-form roof.

In Melbourne, in mid-July, it is a high-risk proposition. On some evenings, it is too wet or windy to undertake what can be dangerous work. On at least two nights this week, work was called off. On other nights, they went for it.

Work on the roof can only be done after the rail network has been shut down. When the last
• P3 contracts are usually long-term.
  ▪ Southern Cross Station, Melbourne: **30 years**
  ▪ Railway Stations in Italy: **40 years**
  ▪ Air rights above tracks at Union Station, DC: **99 years**

• Concessions of land, floor and/or air space should not impose constraints on future railway operation plans.
Conclusion

- Think about the scope of redevelopment: in-station, station+ or station-area.
- Consider using P3s to gain expertise needed for redevelopment project
- Prioritize ongoing and future railway operations