



LETTER FROM THE PRESIDENT

Union Station Redevelopment Corporation (USRC) is pleased to present our second Annual Report. The report highlights many of our accomplishments in 2016 and our goals for 2017 and beyond.

Before presenting our latest accomplishments and near-term goals for Washington Union Station, it is important to reflect on the station's rich history that has led us to where we are today. When Daniel Burnham was designing the grand, Beaux-Art Washington Union Station in 1907, he could not have possibly predicted all that would be in store for Union Station in the next one hundred years and counting. From the variety of unforeseen obstacles that would lay ahead to the billions of visitors that would use the station over the next century, it would have been impossible to plan and design for the many surprises. From a train crash through the retail concourse in 1953 to two world wars and an earthquake in 2011 that shook the station, Union Station has faced its fair share of challenges. Yet, through the first century, Union Station stakeholders have taken on the task of moving the station through the ages as a functional transit hub. Since our creation in 1983, USRC has approached obstacles, big and small, with the intention of ensuring that we leave the station as a stronger, safer, and more structurally sound building than ever before.

With 2016 having come to a close, Union Station continues to serve as a consequential multimodal transportation hub for the region that is more trafficked than Reagan National, Dulles International, or BWI airports. As the number of visitors to Union Station continues to increase, USRC is working tirelessly to ensure the station is optimally prepared to meet growing demands, while protecting and preserving its unique historic fabric.

As we continue with the exciting pursuit of making Washington Union Station ready for the next century and beyond, USRC could not be successful without assistance and support from its many partners and friends. We are extremely grateful to you all and look forward to working with you in the years ahead.

Beverley K. Swaim-Staley President & CEO

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PRESERVATION AND STEWARDSHIP

As one of USRC's guiding principles, long-term preservation and restoration of Washington Union Station is of upmost importance to the Corporation. In 2016, USRC achieved many milestones that are vital to the station's historic preservation. USRC believes that our many efforts to preserve the architectural beauty of the station will help secure its success for decades to come. USRC is pleased to share some major accomplishments of 2016.

MAIN HALL RESTORATION COMPLETION

Five years after the 2011 Mineral Earthquake shook Union Station and a host of other buildings in Washington DC, the Main Hall Restoration project is complete. The challenges of the Main Hall Restoration following the damage caused by the earthquake were extensive and complicated. The fragile plaster barrel vault ceiling suffered extensive stress cracking and small sections of plaster fell to the marble floor 96 feet below. As a result of the restoration project, the ceiling has been seismically reinforced with an intricate web of steel struts, hangers, and cables, all hidden in the attic above. This work took place over a three-year period, working on one bay at a time to keep the historic Main Hall open throughout the project. In addition to the ceiling work, the Center Café and the fountains installed in the 1980s restoration were removed to restore the Main Hall to its original character, as intended by Daniel Burnham. The project also incorporated the redesign and relocation of the mechanical systems above the ceiling and gold leaf application to the vaulted ceiling, which augmented the successful outcome of the Main Hall Restoration project.

To complete the Main Hall Restoration project, USRC partnered with Union Station Investco, LLC (USI), a subsidiary of Ashkenazy Corporation, which leases the building, and Jones Lang LaSalle, the building manager. A large team of experts and partners came together to bring this project to fruition and contributed

to the restoration's success. As a result of the extensive seismic strengthening and plaster restoration of the barrel vault ceiling, the grand Beaux Arts ceiling is more securely fastened to the steel roof structure than when it was first installed in 1908, safeguarding the public against another seismic event. Moreover, the decorative components of the project scope have preserved and restored the ceiling's historic grandeur. It is a superlative example of how historic preservation restoration means and methods combined with hidden and effective structural reinforcements will protect the public's passage through the Main Hall for the next century and beyond.

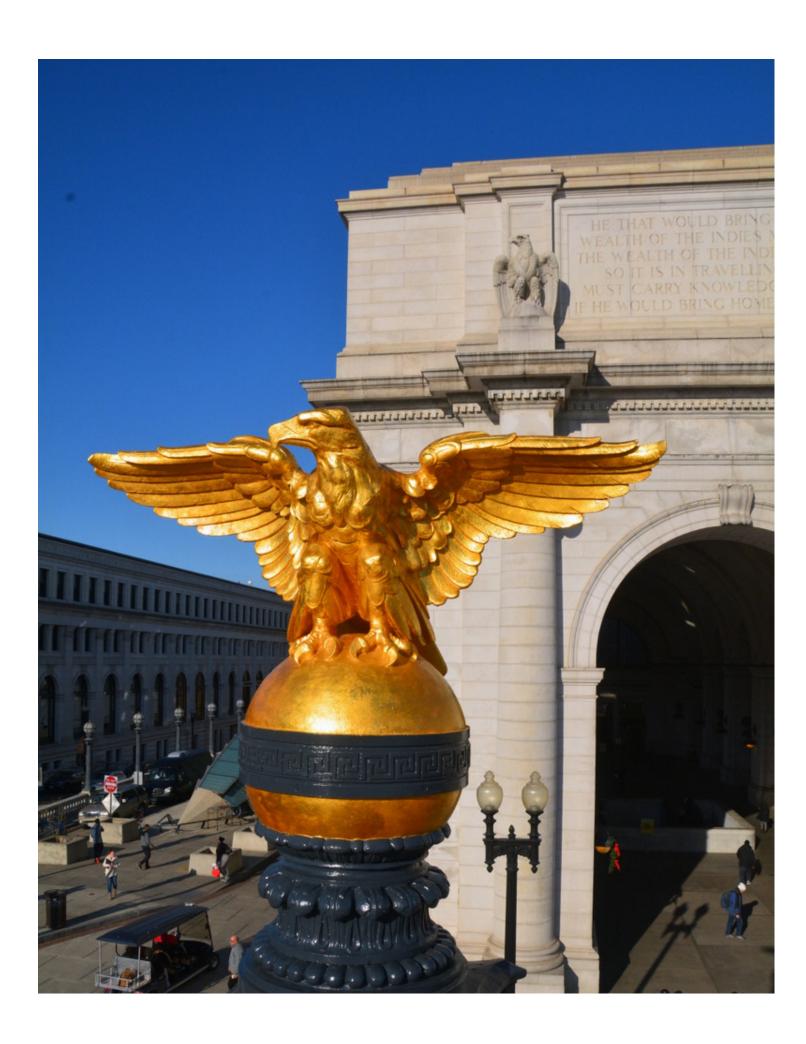
MAIN HALL GALA

Upon concluding the Main Hall Restoration, a special event to celebrate the project's completion was held in October 2016. A cocktail reception, hosted by Ashkenazy Corporation, USRC, and the National Trust for Historic Preservation (NTHP), took place in the Main Hall. The event featured photos and highlights of the history of Union Station and special remarks were made by representatives of the U.S. Department of Transportation, NTHP, the American Express Foundation, Ashkenazy Corporation, and USRC.

The Main Hall Restoration efforts have been featured and commemorated by various news sources and the historic preservation community. The Architectural Digest, the Architect's Newspaper, the Washington Post, and Home & Design, amongst others, all praised the Main Hall Restoration project for its success, which can be experienced by anyone who enters the station.

SEISMIC ASSESSMENT

In 2012, the USRC Board made a decision to have the building undergo a full seismic analysis. McMullan & Associates, Inc., the engineers on the Main Hall Restoration project, completed a seismic study of the building in spring 2016. The assessment concluded that the building itself is structurally and seismically sound with only minor elements that would require retrofit. The assessment's findings are yet another testament to the original design and construction.



MARKETING PROGRAM MOA

In March 2016, USRC, the Federal Railroad Administration (FRA), Amtrak, USI, and the DC State Historic Preservation Office (DCSHPO) signed and executed a Memorandum of Agreement (MOA) regarding the Marketing Program Implementation and Amtrak Public Information Display System (PIDS) Installation. This agreement resulted in the removal of the non-historic Center Café and fountains and a decision to repair the floor to match the existing marble in the remainder of the Main Hall. The removal of the Center Café and fountains was completed in May 2016. The agreement provided marketing criteria that allow for the space to be used for events, while respecting the historic character of the station. Lastly, the MOA required Amtrak to consult with DCSHPO in finalizing the design and installation of the new digital PIDS in the Main Hall. The PIDS display train arrival and departure information and have replaced the large train information sign that was attached to the Center Café. In December 2016, Amtrak completed its installation of the four PIDS signs in the east and west transoms that lead to the Retail Concourse. The PIDS' arrival and departure information is now in the same location as had been historically.

RETAIL CONCOURSE CEILING PROJECT

Similar to the Main Hall Restoration project, seismic steel reinforcement and plaster restoration work has been underway on the Retail Concourse barrel-vaulted ceiling since April 2016. The Retail Concourse ceiling also experienced damage during the 2011 earthquake and this work addresses the damages and strengthens the ceiling. A custom-designed, suspended rig was installed on the east end of the Retail Concourse and is moving west in 40-foot-wide increments. Additional ceiling repair will be accomplished by working off the storefronts' roof decks. All the laylight glass in the ceiling is being removed, cleaned, and restored. The cracked glass panes will be replaced with new glass that closely matches the textured character of the original glass installed since 1984.

The Retail Concourse seismic ceiling restoration work is expected to be completed by Fall 2017. Evidence of the significant restoration progress

can best be appreciated by walking from the east end of the Retail Concourse Mezzanine to the center of the concourse, looking up along the way to view the freshly painted plaster vaulted ceiling and the glowingly clean laylight glass.

ROSTRAL COLUMNS RESTORATION PROJECT

The rostral columns and balustrades located in the front of Union Station were part of the original station design by Daniel Burnham in 1908. Two "gateways" comprised of pairs of large classical rostral columns mounted on stone balustrades were to frame the magnificent façade of the station. Each column was decorated with lights and topped with gold -leafed eagles poised to take flight.

In 2014, the rostral columns and balustrades in front of Union Station were included as part of the conditions assessment conducted in the Union Station Historic Preservation Plan. The assessment determined that, while the columns have a high degree of structural integrity, they have "areas of deterioration and conditions requiring repair, some of which can be considered significant." The paint was worn and faded, there was rust at locations where water had collected, and the gold leaf on the eagles was degraded. The granite balustrades were in need of crack repairs, cleaning, and repointing. Moreover, the columns and balustrades had not been comprehensively disassembled and cleaned since they were first installed over a century ago.

The goal of this project is to implement the necessary rehabilitation efforts to restore these historic icons to their original splendor, including new durable paint finishes, regilding of the eagles, and restoration of the granite balustrades. The work entails removal and transport of the cast iron columns and lampposts off-site for disassembly, cleaning, painting, and restoration. Simultaneously, the granite balustrades restoration is taking place on-site. The project began in October 2016 and is on schedule to be completed in the first half of 2017.

The project is partially funded through the Transportation Alternatives Program of the Federal-Aid Highway Program, administered by the DC Department of Transportation.



PREPARING FOR THE FUTURE

2ND CENTURY AND MASTER DEVELOPMENT PLAN (MDP) UPDATE

USRC is one of the partners involved in the transit-oriented redevelopment and the plans for Union Station's 2nd Century. USRC is working closely with FRA, Amtrak, and Akridge to implement the long-term development plans for Union Station and the surrounding area.

The station expansion, led by consulting architecture firm Beyer Blinder Belle, consists of two major work efforts: the Environmental Impact Statement (EIS) led by FRA and the conceptual design of the project based upon a final Record of Decision, expected in 2018. It will include a transportation plan, facilities, market demand and urban design analyses, and robust public outreach and involvement. Additionally, it will fulfill the requirements of the National Environmental Policy Act (NEPA) with the completion of an EIS and the concurrent National Historic

Preservation Act (NHPA) Section 106 process.

At this stage of the major development project, FRA is leading the NEPA process, including the associated stakeholder and community outreach and the concurrent NHPA Section 106 process. FRA is currently reviewing the nine concepts that were presented at the public consultation meeting held in October. FRA provided a comment period on the preliminary concepts. In 2017, work will continue on the Station Expansion Project. Conceptual design will move from the preliminary concept to alternatives evaluation stage.

Coordinated efforts with the District Department of Transportation (DDOT) and Amtrak on the H Street Bridge design, Terminal Infrastructure (TI) Plan, and Concourse Modernization will continue to proceed. Smaller, but significant, efforts such as titling and survey work will also continue through 2017.

H STREET BRIDGE PROJECT

Amtrak's Terminal Infrastructure plan, in coordination with 2nd Century planning, will serve as the basis for DDOT

to design and construct the new H Street Bridge piers and profile. This sharing of information and coordinated effort has been ongoing since 2013. The Bridge will need to meet the demands of a multimodal transportation network: streetcars, vehicles, and pedestrians; access to Union Station and future Burnham Place; Americans with Disabilities Act (ADA) requirements; and urban design needs

TERMINAL INFRASTRUCTURE

Amtrak is the lead for the Terminal Infrastructure (TI) project to develop a conceptual rail terminal plan. The project team is coordinating its work with the MDP/EIS team. The interrelationship between the Station Expansion layout and the track layout must be coordinated and fully understood by the partners and FRA.

The goal of TI is to provide a conceptual, but comprehensive, rail terminal plan which includes consideration of existing conditions, design criteria and assumptions, track and platform analysis, ADA improvements, operations and infrastructure needs,

phasing analysis, and security requirements to allow for the projected growth at Washington Union Station.

AMTRAK CONCOURSE MODERNIZATION AND RELATED IMPROVEMENTS

The Concourse Modernization Project is led by Amtrak, with the architecture firms KGP design studio and Grimshaw Architects. The project focuses primarily on improvements to the Amtrak Rail Concourse level and the lower level. Additionally, an expanded mezzanine level and improvements to the bus deck are included in the scope. The goal of the project is to make improvements to circulation, flooring, daylighting, safety, and passenger experience within the Amtrak concourse and the greater Union Station.

The project will also make improvements to the Acela Club on the mezzanine level. The HVAC project, concurrently taking place, which will relocate the HVAC units from the north hanger to the roof of the station, has the shared goal of creating an increasingly open and bright Amtrak Concourse.



ARCHIVAL AND DOCUMENTATION INITIATIVES

As part of USRC's effort to promote the historic preservation and development of Union Station, USRC must maintain, organize, and archive all historical and project records. Our efforts to properly archive all types of documents has proved beneficial as we:

- address maintenance issues in the station;
- modernize mechanical, electrical, and plumbing systems;
- rehabilitate portions of the station from floors to ceilings and other historic fabric;
- implement recommendations of the Historic Preservation Plan; and
- plan for long-term redevelopment of the station area, including a Section 106 process.

In 2014, USRC established a system of organization for its records, drawings, photographs, historic documents, and digital files that adheres to best practices and supports USRC's mission to preserve and develop the historic Union Station. We will continue to pursue the collection of more than a century of work documenting the physical and cultural history of the station. In FY 2015, USRC obtained drawings and photographs of the station's interior and exterior statuary from Saint Gaudens National Historic Site and original Burnham drawings from the University of Vermont. USRC also accessed the Life magazine collection from the 1940s and 1950s. This was a great addition to USRC's collection, providing the first documentation for that era of the station's history.

MAIN HALL GALA PHOTO EXHIBITS

The Main Hall reception also kicked off a 30-day exhibition open to the public to celebrate

the significant milestone of the restoration completion. The exhibition featured two main attractions:

- a formal exhibit of photographs and memorabilia that highlighted the history of the Main Hall and its transformation throughout history and
- an augmented reality display that allowed patrons to view significant historic events that took place in the station as if the scenes were unfolding before their eyes.

SMITHSONIAN ASSOCIATES LUNCHTIME SERIES

USRC partnered with the Smithsonian Associates for their Spring 2016 Lunchtime Series on DC's Historic Sites in the Northeast. Union Station was chosen as one of the six historic sites in the Northeast Quadrant for its role in setting the mode for Washington's classic monumental architecture for 40 years. On April 6, 2016, at the S. Dillon Ripley Center, USRC's President and CEO, Beverley Swaim-Staley, gave a presentation, followed by a Q&A session, highlighting the station's history, present, and future. The guests were then invited for a tour of the station in early May.





FINANCIAL SUMMARY

USRC is a self-sustaining 501(c)(3) non-profit corporation with two primary sources of revenue: the revenue derived from the station sublease with USI and the revenue earned from the parking garage operations.

The Corporation's main missions are to maintain the historic building and provide direct oversight of the parking facility. This is shown through the split of expenses, with capital expenses accounting for 64% of the total expenditures.

Main Hall Ceiling Restora completed in April 2016.

See the illustrations below for a breakdown of revenue and expenditures in fiscal year 2016.

* Expenditures exceeded revenue due to the capital expenses associated with the historic Main Hall Ceiling Restoration which was completed in April 2016.

Grants \$1,468,632 Reimbursements \$1,180,376

Station Revenue \$3,200,505

Garage Revenue \$8,532,403

Illustration of Revenue

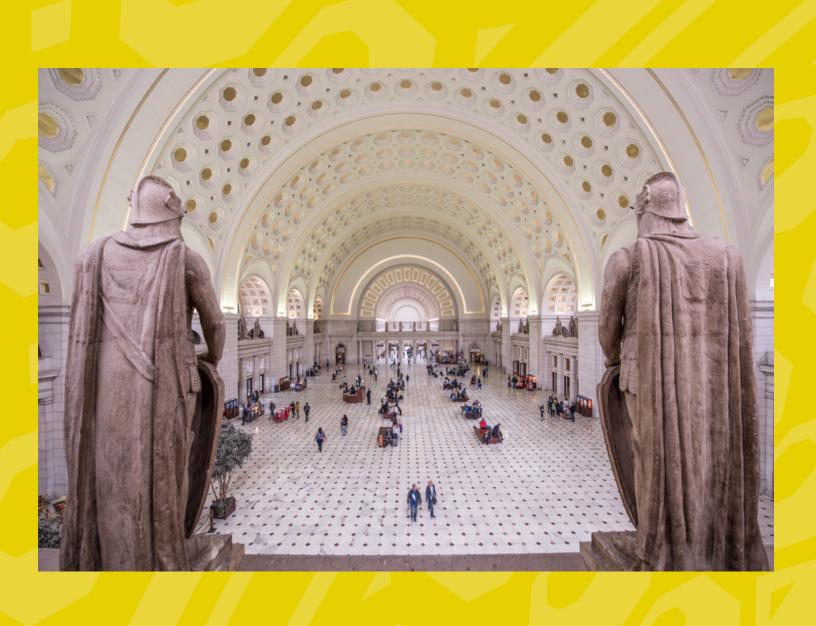
FY 2016 Revenue = \$14,381,916

Illustration of Expenditures

FY 2016 Expenditures = \$23,196,121

Debt Service Payments \$1,912,536 Operating Expenses \$9,732,771

> * Capital Expenses \$11,550,814



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