

**1**

1 of 1 DOCUMENT

Copyright 2005 The New York Times Company  
The New York Times

March 21, 2005 Monday  
Late Edition - Final

**SECTION:** Section B; Column 5; Metropolitan Desk; Pg. 1

**LENGTH:** 954 words

**HEADLINE:** Bids Due Today In Showdown Over Railyards And Stadium

**BYLINE:** By CHARLES V. BAGLI

**BODY:**

A month ago, the Metropolitan Transportation Authority invited prospective buyers to place bids for the West Side railyards, a move that could decide whether Manhattan will have a stadium for Jets football and the 2012 Olympics.

But with the deadline for bids at 5 p.m. today, it appears that the Jets will have only one solid competitor for the site: their most persistent antagonist, Cablevision.

The Jets have said they will substantially increase their \$100 million offer for the right to build a 75,000-seat stadium with a retractable roof over the railyards, three blocks west of Madison Square Garden, between 30th and 33rd Streets. The Jets, like the other bidders, are treating the details of their offer like a military secret.

Cablevision, which owns the Garden, the Knicks and the Rangers and views the stadium as competition, has offered \$600 million, although it is unclear whether that number will go up or down. Instead of a stadium, Cablevision says it plans to build apartment houses and parks on a platform over the yard.

A third bidder, TransGas Energy Systems, is readying an offer of more than \$800 million. But the complicated conditions outlined in its bid may not pass muster with the Metropolitan Transportation Authority, which wants quick and easy cash.

A fourth potential buyer dropped out late last week.

A number of New York developers have said privately that they would like to bid for what they consider a valuable waterfront property for residential development, but they were unwilling to risk angering Mayor Michael R. Bloomberg, a proponent of the stadium.

"Right now, everyone's scared of bidding," one real estate executive said.

So the showdown today will be between two of the players at the heart of what has become one of the city's longest-running, most bitter political dramas in some time. Tens of millions of dollars have been spent by both sides.

Mr. Bloomberg has staked out the stadium as a cornerstone of the city's bid for the 2012 Olympics, his West Side redevelopment plan and, ultimately, his mayoral legacy. In the current election season, his Democratic opponents have singled out the stadium as an example of the mayor's priorities.

"Two years ago, who would've thought that the mayor's re-election would depend on one project," said Robert J. Tillis, chief executive of Inner Circle Sports, a sports industry consultant. "This one has gotten ugly and bitter. I think it's unprecedented in the U.S. to have the owners of two teams battling over the same project."

The bidding may not end at sundown tonight. The Metropolitan Transportation Authority plans to turn the offers over to its adviser, the Newmark real estate company, for evaluation. As Newmark sorts through the materials and the offers become public, one transit official said, there may be another round of bidding.

Peter S. Kalikow, chairman of the authority, has said he wants his board to pick a winner at its meeting on March 31.

The New York Times March 21, 2005 Monday

For Robert Wood Johnson IV, the owner of the Jets, the stadium has become a hugely expensive pursuit, even by a billionaire's standards.

Mr. Johnson bought the team for \$635 million in 2000. The projected cost of the stadium, once \$1 billion, has already soared to \$1.7 billion. The city and the state have offered a \$600 million subsidy, but anything above that number would be Mr. Johnson's responsibility to pay.

The proposed stadium, a blockbuster in many respects, would cost about three times as much as the nation's most expensive current stadium, the new Soldier Field in Chicago. Indeed, the size of the public subsidy alone in New York is comparable to the entire cost of Soldier Field, \$630 million.

"It's the most expensive stadium ever built in the United States," said Sal Galatioto, president of Galatioto Sports Partners, a sports industry financial consultant. "As the price goes up, at some point it becomes uneconomic."

The stadium project was not supposed to be this hard. Mr. Johnson started out with the backing of the state's two most powerful politicians, Mr. Bloomberg and Gov. George E. Pataki. Over the past four years, Mr. Johnson has spent \$50 million on designing the stadium.

After what happened with former Mayor Rudolph W. Giuliani's plans to build a West Side stadium for the Yankees, everyone expected some opposition. But no one anticipated that James L. Dolan and his father, Charles, who control Cablevision and the Garden, would spend well more than \$20 million on antistadium commercials, lobbyists and sports and real estate consultants.

But even those who viewed Cablevision's bitter battle with the Jets and Mayor Bloomberg as suicidal said that the company's decision on Feb. 4 to bid \$600 million for the property was brilliant. The transportation authority ultimately moved to scrap its exclusive yearlong negotiations with the Jets and open the bidding to everyone.

Still, not all bids are equal. The Jets already have an agreement with the state to rezone the industrial site for the stadium. But the Bloomberg administration has said it is unlikely it will rezone for anyone else.

"The Jets have the zoning and \$600 million from the city and the state in their pocket before they start bidding," said one executive who is making an offer. "Everyone else is starting from ground zero."

The Jets must win the bidding, or the stadium project will die. The team has become increasingly aggressive in taking on the opposition, spending on commercials and raising its bid. To make the potential benefits all the more tangible, the Jets lobbied the National Football League for the 2010 Super Bowl. The league is expected to approve the selection this week, on the condition that the stadium will be built.

**URL:** <http://www.nytimes.com>

**LOAD-DATE:** March 21, 2005