

5



April 1, 2005 Edition > Section: New York > Printer-Friendly Version

Albany Is Next Stop for Jets' Bid

BY JULIE SATOW - Staff Reporter of the Sun

April 1, 2005

URL: <http://www.nysun.com/article/11495>

With the New York Jets' plan to build a 75,000-seat domed stadium approved on a unanimous vote yesterday by the Metropolitan Transportation Authority, the quest to develop the West Side rail yards moved north to Albany, where it faced an uncertain future at the Public Authorities Control Board.

The PACB, as it is known, is controlled by Governor Pataki, who has been a champion of the Jets' plan, and by Assembly Speaker Sheldon Silver of Manhattan and Senate Majority Leader Joseph Bruno of Rensselaer County, who have not. Unanimity of the three voting members will be needed for the plan to pass.

"That the Jets won was unfortunate, but not a surprise," Senator Thomas Duane, a Manhattan Democrat who is a non-voting member of the PACB, told The New York Sun.

"I'm confident there will be lawsuits, and we have a fighting chance of stopping the Jets from progressing any further at the PACB," he said.

Before that board can vote, the Empire State Development Corporation, which approved the Jets' general project plan last year, must ratify the proposal for the stadium. A date for its next board meeting has not yet been set. The PACB is scheduled to meet April 20.

Speaking at a press conference yesterday, Mr. Bruno said polls indicated that the majority of New Yorkers oppose a Jets stadium in Manhattan. "When you poll it, more people are against that use than for it," the Republican leader said.

A spokesman for Mr. Silver, Charles Carrier, said the speaker, a Democrat who represents Lower Manhattan, would "continue to watch carefully over the stadium issue" and did not feel pressure to rush to a decision before the International Olympic Committee votes in July for host city of the 2012 Summer Games. Mayor Bloomberg has said the Jets stadium must be approved before the July date if New York can hope to win the designation.

Mr. Carrier also said there was a chance that lawsuits from Jets opponents, including Cablevision, which owns Madison Square Garden and made a competing bid it valued at \$760 million, could stop the Empire State Development Corporation or the PACB from voting. "It is unclear if court issues could cloud over the process," the Silver spokesman said.

At a press conference yesterday, a triumphant Jets president, L. Jay Cross, said of Mr. Silver and Mr. Bruno that they would "always keep an open door and an open mind to the New York Jets."

Cablevision called the vote "a fix."

"It's no wonder that the MTA is in financial crisis when its own board declares that \$210 million is worth more than \$400 million in cash." The sums refer to the up front, lump-sum cash payments the rival bidders offered. The Jets' valuation of their cash payment over five years is \$250 million, and the team offered another \$25 million in "funding for platform reserve" and an additional \$5.4 million for a "garage option."

The 13 voting members of the MTA board approved the Jets' plan because of the up front cash, the city's commitment to the extension of the No. 7 subway line, and the belief that "transferable development rights" would, over time, create added value.

"We have an aggressive building schedule, a No. 7 extension, \$250 million, and the possibility that TDRs will yield nine figures that will be an incremental value to the eastern rail yards," the chairman of the MTA board, Peter Kalikow, said.

Mr. Kalikow, who has been a prominent developer, and his board colleagues suggested that the MTA will ultimately seek to sell the TDRs itself.

As part of the Jets' offer of \$720 million, the team had joined with six developers to offer \$440 million for air rights it would not need for the stadium.

The MTA chairman said: "We never talked about that as a real number."

The No. 7 subway line, a \$2 billion project, would be financed in large part by the sale of the 5.7-million-square-foot eastern rail yards in the West 30s and by revenue generated by development of the surrounding Hudson Yards neighborhood. According to the Jets' plan, the stadium would be completed by 2009, compared with a 2015 finish date for the mixed-use complex in Madison Square Garden's plan.

"The MSG proposal, assuming it could be carried out, would have a longer period of construction, leaving an open rail yards and potentially move demand for private housing away from the eastern rail yards," another MTA board member, Mark Page, said. "The Jets' plan ... will assure financing for the No. 7 train and the entire redevelopment plan." Mr. Page is head of the Office of Management and Budget in the Bloomberg administration.

"In the short term, if we look at cash on the table, I'd have to pick the MSG proposal because it is \$400 million, which is a lot of cash," a board member who heads the authority's real estate committee, James Simpson, said.

Over time, however, that money translates into \$13 million a year over 30 years, with no money left over, Mr. Simpson said. "With a \$7 billion operating budget, this would represent a mere .002%," he noted.

The Jets' proposal, in contrast, could yield as much as \$60 billion over 30 years, he said. As for the TDRs, he estimated they could be sold for \$1 billion - which would be more than double the sum offered in the Jets' bid.

To make sure the MTA can get those TDRs, Mr. Simpson said, "We have to do a lot of things to make it happen, I agree, but down the road, in time, the city and state, with their goodwill, will do whatever is necessary."

"I can go home and sleep soundly knowing I'm pushing this forward," Mr. Simpson said.

The MTA board dismissed the third bid submitted by the March 21 deadline - TransGas Energy's offer, which the company valued at \$1.05 billion - because "it had less to do with the West Side than with how we buy power," Mr. Simpson said.

The labor and rider representatives on the MTA board, who cannot vote, include James Blair, Andrew Albert, and Edward Watt. All opposed the Jets' plan.

Among the politicians testifying at the standing-room only hearing before the vote, was the Brooklyn-Queens congressman vying to be the Democratic nominee for mayor, Anthony Weiner.

"You should take more than nine days to make a decision that will last 99 years," he said.

Many of the 41 speakers at yesterday's hearing had stood in line in front of the MTA's Madison Avenue offices since 5 a.m. in hopes of testifying

April 1, 2005 Edition > Section: New York > Printer-Friendly Version