

Contact: Petra Todorovich, 212/253-2727 x322 (office)

917-696-7253 (mobile)

Chris Jones, 212/253-2727 x321 (office)



RPA: MTA AND JETS STADIUM DEAL WOULD SHORTCHANGE STRAPHANGERS

By submitting to arbitration, MTA undercuts the value of a public asset by \$600 million before negotiation begins.

For Immediate Release

February 3, 2005

New York – The appraisals completed by the Metropolitan Transportation Authority and the New York Jets to determine the value of the proposed Jets stadium site are paving the way for a giveaway that will rob the public of several hundred million dollars needed to repair and modernize the transit system. With strained logic, both appraisals greatly undervalue the development potential of the Hudson Yards. If left to stand, the agreement between the MTA and the Jets to submit to binding arbitration only guarantees that the MTA will receive far less than fair market value.

“This deal makes it clearer than ever that the value of the site needs to be determined through a competitive bidding process,” said Robert Yaro, President of Regional Plan Association. “With the MTA billions of dollars short of what is needed to maintain and expand the transit network that is the lifeblood of the region, we can’t afford to give away valuable public assets.”

The Jets appraised value of \$37 million should be a nonstarter for negotiating the price of 13 acres of waterfront property adjacent to Midtown Manhattan. Analysis by RPA indicates that the development rights for the stadium site could be worth up to \$1 billion. The MTA’s appraisal confirms this by concluding that the fair market value of these rights is \$892 million.

However, by asking that the Jets compensate them for less than a third of this value, the MTA is taking \$600 million off the table before the negotiation even starts. With circuitous reasoning, the MTA assumes that it will retain the right to sell two-thirds of the air rights after the stadium is built, even though no transfer rights have yet been established and there are no sites to where the rights could be transferred. Building the stadium effectively takes away the only place where the development rights could realistically be used—on the Hudson Yards themselves. Any private owner would

require the buyer to purchase all of the development rights and assume the risk of their actions.

As RPA demonstrated in its December 2004 report, “Urban Development Alternatives for the Hudson Rail Yards,” mixed-use development would provide a far greater return on public investment and outperform a stadium on any number of planning and design criteria. The prospect of loading millions of dollars in additional public subsidy on the stadium through this deal only reinforces the need to open up the process to alternative proposals.

RPA’s most recent report was released after more than a year of research and analysis, including the organization’s annual Regional Assembly in April 2004 and the release of three research papers and a position paper last year. All of these reports can be found online at www.rpa.org.

Regional Plan Association (RPA) is an independent regional planning organization that improves the quality of life and the economic competitiveness of the 31-county New York-New Jersey-Connecticut region through research, planning, and advocacy. Since 1922, RPA has been shaping transportation systems, protecting open spaces, and promoting better community design for the region's continued growth. We anticipate the challenges the region will face in the years to come, and we mobilize the region's civic, business, and government sectors to take action. For more information about Regional Plan Association, please visit our website at www.rpa.org.

###