

MTA'S YARD SALE

\$200M deal with city

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The city will purchase the development rights to part of the Hudson Rail Yards on Manhattan's West Side for \$200 million, after reaching a deal with the MTA, officials said yesterday.

The city will sell the rights to the eastern portion of the land — located from 30th to 33rd streets between Tenth and Eleventh avenues — to developers.

The Metropolitan Transportation Authority will not have a say in that process, but any profits from the land sales will go to the agency.

MTA board members will be briefed today on the deal.

It will be discussed publicly tomorrow at the agency's monthly meeting.

At the same time, the western portion of the yards — located between Eleventh and Twelfth avenues — will be rezoned for high-rise development and sold through a bidding process, officials said.

That area was once slated for a new Jets stadium and was the centerpiece of the city's failed bid to host the 2012 Summer Olympics.

Over the next year, the city and MTA will devise guidelines for commercial and residential development on the western rail yard.

An appraisal by Jerome Haims Realty made public last month set the value of

the development rights for the western portion of the yards at \$1.2 billion.

It valued the eastern portion at \$300 million.

In July, the Bloomberg administration offered to pay the MTA \$500 million for the development rights for the entire yards.

At the time, state Attorney General Eliot Spitzer — the Democratic front-runner in the race for governor — and mass-transit advocates called the city's offer too low.

In a letter to MTA Chairman Peter Kalikow last month, Spitzer outlined a process that called for the agency to delay the sale of the yards until after a new governor takes office.

Spitzer said the sale was "too important to be subject to a hasty process."

The development of the Far West Side will include the extension of the No. 7 subway line west of its current terminus at Times Square, with new stations at 43rd Street and 10th Avenue and 34th Street and 11th Avenue.

The \$2.15 billion it would cost to extend the No. 7 line would be paid for by the city under the plan.

Mayor Bloomberg has said that even though the stadium plan was killed last year by state lawmakers, developing the neighborhood is still important to the city's economy.

"It's an investment we can't afford not to do," he said.

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