

DISAGREEMENT ON AIR RIGHTS GROWS HOTTER

Kalikow Has Said They're Worth \$1.2B

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ALBANY — A fight between an influential state legislator and the MTA over the sale of air rights at the West Side rail yards intensified yesterday.

On Tuesday, the Metropolitan Transportation Authority's executive director, Katherine Lapp, told lawmakers here that an appraisal of the rights had been completed last week and delivered to the New York Jets for review. Mayor Bloomberg is pushing to allow the football team to build a stadium over the abandoned 26-acre plot as part of a grand revitalization plan for Manhattan's far West Side.

Ms. Lapp's mention of the finished appraisal during a routine budget hearing caught the attention of Assemblyman Richard Brodsky, a Westchester Democrat who directed the MTA to obtain an appraisal of the yards last May. Mr. Brodsky, chairman of the legislative committee that oversees public authorities like the MTA, has been eagerly awaiting an appraisal figure for months. The chairman of the MTA, Peter Kalikow, has said rights to the site could fetch as much as \$1.2 billion.

Yet when Mr. Brodsky asked Ms. Lapp to share the appraisal with his committee, she demurred. A lawyer for the MTA had advised her to keep the figure to herself, she said, until negotiations with the Jets progressed.

A vice president of the New York City realty firm that conducted the appraisal, Haims Realty Inc., would not discuss its details. Eric Haims said its contents are now the property of the MTA.

Mr. Brodsky disagreed. "Consider this a request from the Committee on Corporations for a copy of that matter," Mr. Brodsky told Ms. Lapp Tuesday. "I expect us to be in touch with you, if not today then later tomorrow, to make sure we get some response."

Morning came and evening followed, with no response. So Mr. Brodsky called Mr. Kalikow directly. And, like Ms. Lapp, Mr. Kalikow refused Mr. Brodsky's request. "I called Mr. Kalikow yesterday and asked for the appraisal, and he said 'No,'" Mr. Brodsky told The New York Sun. "I asked him if telling me would hurt negotiations with the Jets, and he did not say that it would. So I called him again this morning and told him we would subpoena the appraisal. He said, 'Fine, subpoena it.'"

A spokesman for the MTA did not return calls seeking comment.

Mr. Brodsky is casting the appraisal issue as important to both taxpayers and the MTA. He has tried unsuccessfully in the past week to enlist Ms. Lapp in a fight against Mr. Pataki's proposed transportation budget, saying the Legislature could negotiate higher subsidies for the cash-strapped authority only with her public support. The MTA is projecting a \$586 million shortfall for fiscal 2006 and is counting on the sale of assets, including the West Side air rights, to plug the gap.

But it is not altogether clear that Mr. Brodsky and his colleagues in the Legislature could secure more funds for the MTA even with the support of Ms. Lapp and Mr. Kalikow. A December decision of the Court of Appeals that affirmed strong budgetary powers for the governor has legislators here scratching their heads over whether budget appropriations can be raised at all.

As to how the issue could affect taxpayers, Mr. Brodsky is concerned the MTA might secure an artificially low appraisal to push through the Jets deal. "Suppose they get half of what the air rights are worth," he said. "Then we're talking about these assets being used to subsidize private development."

Mr. Haims would not say which method of appraisal his firm used to determine the value of the site.

The governor has proposed authorizing the state Urban Development Corporation to issue \$300 million in bonds to finance half the government contribution for construction of the proposed New York Sports & Convention Center. The city would pay the remaining \$300 million. The Jets have committed to paying \$800 million for the stadium, a figure that does not include annual payments to the MTA for air rights.