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Press Release

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IMMEDIATE

MTA Responds to MSG Offer for West Side Rail Yards

MTA Chairman Peter S. Kalikow today responded to a February 4, 2005 offer from Madison Square Garden, LLP., ("MSG") to develop the LIRR West Side Rail Yards. He also sent a letter to the New York Jets, LLC., proposing a non-binding arbitration process to determine the fair market value of the rental of air rights and other real property interests for the construction of a New York Sports and Convention Center.

Kalikow noted, "The MTA's primary interest in disposing of the LIRR West Side Rail Yards site is to receive the maximum possible value in a transaction that contains the fewest possible contingencies and least risk to the MTA." He noted further, "This is intended to benefit the transportation system as a whole, and to help alleviate the severe financial shortfall facing the MTA."

The MTA has for more than one year been negotiating documents for, and implementation of, the potential development of the site by the New York Jets and the Empire State Development Corporation (ESDC) pursuant to a Memorandum of Understanding dated March 25, 2004.

MSG has made an unsolicited proposal to acquire and develop the LIRR West Side Rail Yards. MSG's proposal was contained in an attached letter to Chairman Kalikow dated February 4, 2005.

In order to begin to determine whether MSG's proposal can meet the objectives of the MTA, Chairman Kalikow sent the annexed letter to MSG asking for specific information regarding the terms and conditions of their offer on or before the close of business February 11, 2005.

In the meantime, MTA will, in order to fulfill its "best efforts" obligations under the Memorandum of Understanding, continue a non-binding arbitration process with the Jets in order to arrive at, if possible, a mutually agreeable ground rent.