June 13, 2005

A Lawyer for the Jets Speaks Out On the Status of a West Side Stadium



PROGNOSTICATOR Lou Solomon, the Jets attorney in the West Side stadium legal

battle, says that the Jets will find a way to get a stadium built.

A senior lawyer at Proskauer Rose, Lou Solomon, 49, is head of litigation for the firm's international practice group and co-head of its antitrust and trade regulation group. Last week he spoke with The New York Sun's Julie Satow about his role as lawyer for the New York Jets and the status of a Jets stadium on the Far West Side.

Q. At what stage are the lawsuits

that have been brought against the Jets for its \$250 million purchase of air rights at the Hudson Yards rail yards from the Metro-

politan Transportation Authority?

A. Madison Square Garden directly or indirectly brought eight suits total, and Justice Herman Cahn immediately threw out four of them. All of these lawsuits are, in my view, prompted by MSG and is, what I think, pretty transparently anticompetitive conduct on their part.

There is a case in federal court, against the Clean Air Act, and one environmental suit is still pending in state court. This is the second environmental suit MSG has brought against the Jets. The first one was thrown out. This suit alleges that the environmen-

'MSG did not have a real plan, they are just trying to stop competition, and the MTA knows that.'

tal impact statement did not adequately take into consideration, principally, traffic.

A third lawsuit was brought against the Empire State Development Corporation, alleging that instead of having one public hearing, they should have held two. It also argues against one of the ways the project may be paid for — payments in lieu of taxes, or PILOTs—even though the judge already threw out that challenge as premature in an earlier suit. On Thursday, we will go before Justice Cahn to argue the case.

The fourth lawsuit alleges that the MTA's request for proposal for the rail yards was rigged in favor of the Jets, which Justice Cahn threw out and is being appealed. The case will come before the appellate court Wednesday, and the Jets and the MTA have agreed not to close for another eight days afterward, on June 23, to give the court time to decide.

Even though the Appellate Division is pretty fast, never in my 25 years of experience have I seen it act with such alacrity. It is extraordinary and speaks well of Justice Cahn and of the appellate court's understanding that time is of the essence.

Why are the courts moving these cases along with such speed, especially since it is unlikely New York will be in the running on July 6 when the International Olympic Committee votes on a host city for the 2012 Olympic Games?

We asked them to make a speedy decision. The Jets are the only real bidder, and the MTA doesn't want to lose them. Also, MSG is trying to delay the deal to run up our costs, and with rising steel prices, if they delay any longer, they will kill the deal.

If the plan to build a Jets stadium cannot be resurrected following

the state Public Authorities Control Board's failure to approve it last week, will these lawsuits be thrown out?

That is a fair question. ... The Jets haven't brought these lawsuits. If MSG thinks it has won on the political side, then it ought to withdraw the lawsuits. Whether there is an ultimate political solution or not, we are ready to go.

You have said that MSG is the source of the four lawsuits, but plaintiffs have included community members and the public advo-

and the public advocate, among others. Do you think they are all in MSG's pocket? Funding for many of those suits

Funding for many of those suits comes from MSG, but I'm not prepared to say these groups don't really feel this way.

The papers have reported that if the Jets stadium plan is dead, the MTA will put out a new request for proposal rather than award the site to Madison Square Garden, which offered the MTA \$450 million for it. What do you think of MSG's plan, and why would the MTA not choose the runner-up?

MSG did not have a real plan, they are just trying to stop competition, and the MTA knows that. MSG wanted to jam the equivalent of 10 to 11 40-story buildings into a space as large as Lincoln Center. Nobody is going to build that, and nobody is going to want to live there.

The Jets had six developers who were willing to put up over \$400 million for the developable air rights, and they were willing to pay real dollars.

The chairman of the MTA, Peter Kalikow, has said he would not close on the deal with the Jets if a stadium was not going to be built. What do you think of this?

There is a lot of value for the MTA to have the convention corridor built, and as you know, the Jets stadium would double as a convention space hundreds more times a year than it would be a football stadium. But the MTA has left itself an out — they don't have to sell it to the Jets if a stadium is not built. I know the Jets are committed to building the stadium. Kalikow has not committed to sell it to us but said he would if there is some light at the end of the tunnel, which I strongly believe there is.

The Jets have already invested \$50 million in this, and there are not a lot of developers lining up to buy this land. Here you have someone who wants to pay \$250 million for the site and ultimately put in \$1.6 billion, and Kalikow can't be sure he could get anyone else. No one wanted to develop that land until the Jets came along.

How does this case compare to other cases you have argued?

Most of what we do as litigators involves figuring out where one body of rights ends and another begins. And here MSG has no counterbalancing of rights. These cases are transparently meritless. MSG makes up for this, however, by proliferating lawsuits. It has been a great strain on this firm to keep up with the suits. It is an enormous waste of time.

What do you think will happen with the Jets stadium plan?

As I understand it, the Jets are going to find another way with the city to get this thing built.