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The Public Ought to Know: West Side Stadium plan could strain city budget

By Corey Bearak

Next month an 11-member International Olympic Committee commission plans to visit New York City to evaluate NYC2012's Olympics plan. Last week the City Council approved the Hudson Yards plan that City Hall claims is unrelated to the Far West Side Olympic/Jets Stadium.



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Those plans remain joined at the hip despite the Council's "proscribing" its financing for the stadium. Also last week, the public comment opportunity on the New York Sports and Convention Civic and Land Use Improvement Project general project plan - essentially the stadium for the Jets and the Olympics - to the Empire State Development Corporation. While the Council and Bloomberg administration agreed to the Hudson Yards plan and related financing, the City Council retains further opportunities to exercise considerable oversight over the stadium boondoggle and related Far West Side development.

At the Council meeting, Brooklyn Council Member Lew Fidler expressed concern about approving the financing before the mayor releases his preliminary budget. Opponents of the stadium, particularly of its financing and the related Hudson Yards plan, find fault with the possible - in my view very likely - adverse strain on the city budget.

In especially scarce fiscal times, it makes no sense to expend taxpayer dollars to support a private billionaire's dream and development nearby that benefit real estate interests. Fidler warned his colleagues against closing a deal before learning whether the mayor plans to cut programs such as libraries that annually face the knife in the preliminary budget. Fidler, while right to suggest delay, did not remind his Council colleagues that they retain significant leverage to exercise if it so chooses.

When most people think of the city budget, they think of the "expense" (program) budget and the "capital" (project) budget. They do not often think of the "contract" budget. The budget allocates sums to city agencies that may contract with non-profit entities that really exist as arms of the mayoral administration. This includes two agencies involved in the stadium and Hudson Yard deals: The Industrial Development Agency and the Economic Development Corporation. EDC also administers IDA.

The City Charter requires that "each contract budget shall set forth by agency each major category of contractual services and each multiple purpose category of contractual services for which appropriations are being proposed." The charter makes clear that "all spending for contractual services shall be in accordance with the terms and conditions of the contract budget as adopted." It clearly empowers the City Council to adopt the contract budget, including the power to "increase, decrease, add or omit any amount in the contract budget as submitted by the mayor, or change any terms and conditions of the amount in that category."

The mayor can later propose a modification of a contract term or condition to the Council, which has 30 days to disapprove.

In short, the Council retains ample power to kill or further limit financing for the Hudson Yards plan and the Far West Side stadium. This knowledge should embolden Council members to act if the mayor's preliminary budget includes cuts to schools, libraries, seniors and youth, among other priorities. Most Council members have indicated that they see more merit in these programs than publicly financing any development on the Far West Side.

This reality, coupled with City Hall's insistence on the Far West Side site for the Olympic and Jets stadium, could sink our city's Olympic chances. Due diligence by the IOC evaluators and the reality that City Hall will change, if not this year then in 2009 due to term limits, should identify how the mayor's Olympic Stadium plan makes the entire plan a risky endeavor.

Memo to Hudson Yard supporters who oppose the Far West Side stadium: The mayor's Stadium plan, if it collapses (some might say when), effectively kills the land use plan's financing. This leads to an interesting question: How can Hudson Yard supporters truly oppose the stadium boondoggle if no stadium means no development? Even the plan's "affordable" housing comes at a high price. Would they give in on the stadium? My friends in Hell's Kitchen hope not but remain skeptics.

Also up this month, the state's Public Authorities Control Board gets to approve the stadium's state financing. Assembly Speaker Sheldon Silver expressed concern about the plan. City Hall is exerting a full court press to prevent a Silver veto, while the other PACB members - Gov. George Pataki and Senate Majority Leader support the plan.

It's a question of priorities. Will City residents win?

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