

CRAIN'S NEW YORK BUSINESS

EXTRA

by Aaron Elstein

The march of zombies



Let's turn the wayback machine to the spring of 1982. The No. 1 song on Casey Kasem's *American Top 40* was Joan Jett's ["I Love Rock 'n Roll,"](#) although coming up fast was Olivia Newton-John's ["Make a Move on Me."](#)

The New York Knicks and Rangers were thinking of making a move too. Specifically, they considered relocating to New Jersey, where a new arena had been built in the Meadowlands. City leaders took the teams' threat seriously because the New York football Giants had left Yankee Stadium in 1972 for the charms of East Rutherford, New Jersey. In return for a promise to keep the Knicks and Rangers in town, Mayor Ed Koch agreed to give the owner of Madison Square Garden a 10-year reprieve on property taxes.

Somehow, by the time the state Legislature signed off, the agreement turned into a permanent exemption so long as the Knicks and Rangers played in the Garden. The deal has saved MSG \$916 million in the past 40 years, the city says, including \$42 million last year.

New York gives out lots of tax breaks to businesses, although none are quite like MSG's.