

Empire State Development News

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EMPIRE STATE DEVELOPMENT CORPORATION BOARD ADOPTS AMENDED GENERAL PROJECT PLAN FOR ATLANTIC YARDS

Empire State Development Corporation's (ESDC) Board of Directors met today and adopted an amended General Project Plan for the Atlantic Yards Land Use Improvement and Civic Project.

ESDC, in conjunction with the Metropolitan Transportation Authority (MTA), the City of New York, and affiliates of the Forest City Ratner Companies, proposes to implement the Atlantic Yards Project, a major economic development in the Atlantic Terminal area of Brooklyn.

A public hearing will be held regarding the proposed changes followed by a 30-day public comment period. The proposed modifications are summarized below:

- Acquisition of the Project Site in Stages – This would allow Forest City to move forward with the development of the arena and the four surrounding towers, as well as construction phase parking and parking for the arena. Forest City is expected to commence construction of the arena immediately upon obtaining vacant possession of the Arena parcel and start construction of the first non-Arena building within 6 months. The stage two acquisition of the project site would permit the construction of a platform and the development of the remainder of the project.
- MTA Site Acquisition – ESDC will acquire a portion of the MTA property interests, for \$20 million, which will be paid by Forest City. Forest City will agree to pay the MTA the balance of the \$100 million purchase price, plus interest, in installments, in consideration for the balance of the MTA air rights, which will be transferred to ESDC for development of subsequent stages of the Project.
- MTA Upgraded Vanderbilt Yard – Forest City will provide the MTA with a letter of credit (in the amount of \$86 million) to secure its future obligation to upgrade the Vanderbilt Yard, prior to the first property acquisition by ESDC. In addition, Forest City will supply a completion guaranty at the time it commences construction of the upgraded yard, which is expected to occur in 2010 and is required by no later than 2012.

The plan for the more than \$4 billion project includes 16 buildings for residential, office, retail, community facilities, parking, and possibly hotel uses. These buildings provide approximately 5,325 to 6,430 housing units, 2,250 of which will be affordable. The Project also contains 8 acres of publicly accessible open space. The project spans over a 22-acre area, roughly bounded by Flatbush and 4th Avenues on the west, Vanderbilt Avenue on the east, Atlantic Avenue on the north, and Dean and Pacific Streets on the south. The Project is expected to create thousands of construction and permanent jobs.

Empire State Development is New York's chief economic development agency. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. For more information, visit www.nylovesbiz.com.

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