

Atlantic Yards Arena and Redevelopment Project

Blight Study

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EXECUTIVE SUMMARY

This report finds that the 22-acre area proposed for the Atlantic Yards Arena and Redevelopment Project (“project site”) is characterized by blighted conditions that are unlikely to be removed without public action.

As described in the report, five of the eight blocks on the project site (Blocks 927, 1118, 1119, 1120, and 1121), comprising approximately 63 percent of the total square footage of the site, are located within the boundaries of the Atlantic Terminal Urban Renewal Area (ATURA). Created in 1968 as an expansion of the 1963 Fort Greene Urban Renewal Plan, the Atlantic Terminal Urban Renewal Plan found approximately 104 acres of land to be sub-standard and unsanitary in a variety of ways and aimed to eradicate the blighted conditions through actions such as: removal of structurally unsafe, substandard and deteriorated and deteriorating buildings, elimination of negative environmental conditions, removal of impediments to land development (i.e., multiplicity of ownership), and provision of new housing for low and moderate income families built to high standards of design.

The City has issued a series of amendments to the original ATURA Plan since its creation in 1968, but the basic goal of eradicating blight has remained the same. In 2004, the City issued the tenth and most recent amendment to the Plan. The 10th amendment cites a continued presence of blighted conditions in parts of ATURA and extends the duration of ATURA for another 40 years. The goals outlined in that tenth amendment, which are similar to the goals outlined in earlier versions of the Plan, include:

- Redevelop the Area in a comprehensive manner, removing blight and maximizing appropriate land use.
- Remove or rehabilitate substandard and insanitary structures.
- Remove impediments to land assemblage and orderly development.
- Strengthen the tax base of the City by encouraging development and employment opportunities in the Area.
- Provide new housing of high quality and/or rehabilitated housing of upgraded quality.
- Provide appropriate community facilities, parks and recreational uses, retail shopping, public parking, and private parking.
- Provide a stable environment with the Area which will not be a blighting influence on surrounding neighborhoods.

Over the past four decades conditions throughout most of ATURA have greatly improved and achieved the objectives of the earlier Urban Renewal Plans—first through a series of public investments and later, through public encouragement of private investment. ATURA blocks immediately north of Atlantic Avenue, neglected for years prior to ATURA designation and slow to develop even after ATURA designation, now contain the Atlantic Center and Atlantic Terminal shopping centers, the Bank of New

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York office tower, and several blocks of middle-income rowhouses built by the New York City Housing Partnership.

In contrast, the southernmost blocks of ATURA, which include the active but sub-optimal and below-grade Metropolitan Transportation Authority (MTA)/Long Island Railroad (LIRR) Vanderbilt Yard, have yet to be improved over the conditions that led the City to designate the area as blighted approximately 40 years ago. These blocks have had a blighting effect on adjacent blocks south of Pacific Street—Blocks 1127, 1128, and 1129, which comprise the southern portion of the project site. The physical deterioration, underutilization, and general failure of properties on the project site to meet the objectives laid out in the earlier Urban Renewal Plans were one factor in the City's 2004 decision to extend the duration of ATURA for another 40 years.

One of the principal reasons why the project site has remained in a state of physical disrepair and relative economic inactivity while surrounding blocks have experienced significant revitalization is the presence of the open below-grade Vanderbilt Yard and the high cost of covering and building over the yard. Early versions of ATURA plan called for construction of a deck over the rail yard to be used as a main campus for Baruch College, but these plans were abandoned in the early 1970s as the cost of building a platform became too costly for an institutional user such as a public university. The failure to implement this plan and to acquire the rail yard as intended by the plan more than 30 years ago left in place a deep physical divide that has contributed to the blighted conditions found in the adjacent blocks in the project site today.

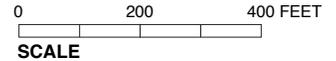
The gap in the urban landscape that is created by the below-grade rail yard creates an environment that discourages street-level activity, and the inadequate street lighting surrounding the rail yard, in combination with vacant lots and deteriorating structures on the blocks south of the yard, creates a sense of isolation that spans across the project site. This sense of isolation and lack of street life has resulted in an increase in illegal activities on the project site. An analysis of crime statistics compiled by the NYPD indicates that in 2004 and 2005, per capita crime rates on the project site and in surrounding blocks were higher in 2004 and 2005 than for the broader precincts in which the project site is located. While it is not possible to determine the number of crimes that occurred on the project site itself, the total crime rate for the "sectors" (geographic areas comprised of several blocks, used by NYPD to track crime statistics at the sub-precinct level) that overlap the project site was substantially higher than the total crime rate for the larger three-precinct area (precincts 77, 78, and 88) in both 2004 and 2005. And the total crime rate for sector 88E, the sector in which the rail yard is located, was over three times the rate for precinct 88 in both 2004 and 2005. These statistics indicate that residents and businesses on the project site are more susceptible to crime than residents and businesses in surrounding areas.

As described throughout this report, the non-rail yard portion of the project site is characterized by unsanitary and substandard conditions including vacant and underutilized buildings, vacant lots, irregularly shaped lots, building facades that are in ill-repair (e.g., crumbling brickwork, graffiti, flaking paint), and structures suffering from serious physical deterioration. As shown in Figure 1, 51 of the 73 parcels on the project site (70 percent) exhibit one or more blight characteristics, including: buildings or lots that exhibit signs of significant physical deterioration, buildings that are at least 50 percent vacant, lots that are built to 60 percent or less of their allowable Floor Area Ratio (FAR) under current zoning; and vacant lots. These 51 lots comprise approximately 86 percent of the land area on the project site.

Eleven of the 73 lots comprising the project site contained buildings that were found upon acquisition by FCRC (the project sponsor) and its structural engineer (LZA Technology) to be so physically deteriorated that they were found to be structurally unsound and a threat to public safety. With agreement from ESDC, the buildings on these eleven lots were slated for demolition by FCRC. Subsequently, a lawsuit was filed against ESDC and FCRC asserting that ESDC acted improperly in allowing FCRC to demolish the buildings and seeking to prevent demolition of those buildings. In February 2006, the



-  Project Site
-  Serious Sidewalk Degradation
-  Properties Exhibiting One or More Blight Characteristics



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Supreme Court denied the petitioners' motion for a preliminary injunction seeking to prevent the demolition of the buildings, and in March 2006, the Appellate Division upheld that decision. The buildings have since been demolished.

As stated above, one of the principal reasons why the project site has remained in a state of physical disrepair and relative economic inactivity over the past several decades is the presence of the below-grade open rail yard. However, an equally important reason for the continued blight is that the project site has historically been held under the ownership of multiple parties, and this diversity of ownership has hindered site assemblage that is necessary for redevelopment. Prior to 2003 and the announcement of the proposed project, the project site was controlled by 76 different parties. Since 2003, the project sponsor has been attempting to assemble the entire site for redevelopment. As of May 1, 2006, the sponsor had gained whole or partial control over 97 tax lots, 80 percent of the lots on the project site. However, 27 tax lots remain wholly or partially under the ownership of parties other than the project sponsor, MTA/LIRR, or the City. This condition of multiple site ownership hinders site assemblage and impedes the sound growth and development of the overall project site.

The Atlantic Yards Arena and Redevelopment Project ("proposed project") presents an opportunity not only to meet many of the goals outlined in ATURA including the elimination of blight, but also to help the City meet its long-term goals for accommodating residential and commercial growth and fostering broad-based economic development. It would provide 2,250 affordable housing units and between 3,540 and 4,310 market-rate housing units. It would introduce between 606,000 and 1.8 million square feet of new office space, along with 247,000 square feet of neighborhood retail and community facility space. It would introduce an arena that would create jobs and draw visitors to Brooklyn. And it would provide at least 7 acres of publicly accessible open space. At the same time, the project would provide an opportunity to upgrade the sub-optimal Vanderbilt Yard, which is an important component of the LIRR rail system that carries thousands of commuters to and from the City each day.

The construction and operation of the project would offer substantial economic benefits to the City and state. Under either of the two proposed project program variations, construction of the project would create a total of approximately 27,000 person-years of employment in New York City and a total of approximately 33,000 person-years of employment in New York State, including New York City.¹ Taxes paid to New York City, New York State, and the MTA during the construction of either variation would be approximately \$250 million, including about \$80 million for New York City.

After the project is complete, its annual operation, depending on the variation developed, would support between approximately 8,430 and 18,180 direct and indirect jobs in New York City and a total of between 10,190 and 22,080 jobs in New York State. Annual tax revenues (non-real estate taxes) associated with the project would amount to between \$85.6 million (with \$32.0 million for New York City) and \$153.7 million (with \$54.5 million for New York City). Considering its proximity to the third largest transit hub in New York City and to Downtown Brooklyn, the City's third largest central business district, the project site is vastly underutilized in terms of the jobs, payroll, and taxes that it should be producing for the City. The proposed project would take advantage of the site's central location and yield new development in accordance with the Tenth Amended Urban Renewal Plan that would help accommodate the long-term projected growth in population and employment for the City, while producing substantial economic and fiscal benefits.

As described in detail throughout this report, the 22-acre project site is characterized by blighted conditions including structurally unsound buildings, debris-filled vacant lots, environmental concerns, high crime rates, and underutilization. These conditions have persisted for over 40 years, since the City first

¹ A person-year of employment is the equivalent of one person working full-time for one year. Viewed another way, the construction would create an average of 2,700 person-years of employment in New York City and 3,300 person years of employment in New York State during each year of the 10-year construction period.

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designated the area as blighted and in need of revitalization. This continued blight is due in part to the presence of the active, but below-grade open rail yard that creates a significant visual and physical gap in the urban landscape of the Atlantic Terminal area and creates a sense of desolation on the project site. The proposed Atlantic Yards Arena and Redevelopment Project would remove the blighted conditions on the project site and replace them with productive land uses, including those parcels which will complete the development of ATURA. Given the pattern of successful economic development in ATURA north of Atlantic Avenue and general neglect on the project site, south of Atlantic Avenue, it is highly unlikely that the blighted conditions currently present will be removed without public action.

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A. INTRODUCTION AND ANALYSIS FRAMEWORK

This report presents an evaluation of conditions in the area proposed for the Atlantic Yards Arena and Redevelopment Project which themselves are evidence of blight or which may retard the sound growth and development of surrounding areas. This report is appended to the General Project Plan (GPP) for the proposed project.

The subject of this study (the “proposed project site”) is an area occupying approximately 22 acres, roughly bounded by Flatbush and 4th Avenues to the west, Vanderbilt Avenue to the east, Atlantic Avenue to the north, and Dean Street to the south (see Figure 2). The affected parcels include: Block 927: lots 1,16; Block 1118: lots 1, 5, 6, 21-25, 27; Block 1119: lots 1, 7, 64; Block 1120: lots 1, 19, 28, 35; Block 1121: lots 1, 42, 47; Block 1127: lots 1, 10-13, 18-22, 29, 30, 33, 43, 45-48, 50, 51, 54-56, 1001-1021 (a.k.a. lot 35), 1101-1131 (a.k.a. lot 27); Block 1128: lots 1, 2, 4, 85-89; and Block 1129: lots 1, 3-6, 13, 21, 25, 39, 43-46, 49, 50, 54, 62, 76, 81. Approximately 40 percent of the proposed project site (about 9 of the 22 acres) is occupied by the Vanderbilt Yard, an active, open MTA/LIRR rail yard, and an NYCT yard for retired busses. The remaining area is occupied by a mix of uses, including industrial and warehouse buildings, auto repair shops and gas stations, parking lots, residential buildings, and commercial uses as well as vacant lots.

Section 10(c) of the New York State Urban Development Corporation Act (the “UDC Act”) requires that Empire State Development Corporation (ESDC) find, in the case of a land use improvement project, that:

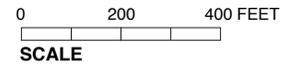
“the area in which the Project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest the sound growth and development of the municipality.”

Blight can appear in many forms, including physical deterioration, site underutilization, and land use incompatibility. Not every parcel or property in an area need exhibit characteristics of blight in order for the area as a whole to be considered blighted. The United State Supreme Court in *Berman v. Parker*, 348 U.S. 26, 34 (1954), found that it is permissible and appropriate for public agencies to combat blight in an area rather than on a structure-by-structure basis stating, “if the community were to be healthy, if it were not to revert again to a blighted or slum area, as though possessed of a congenital disease, the area must be planned as a whole. ... [T]he piecemeal approach, the removal of individual structures that were offensive, would be only a palliative. The entire area needed redesigning so that a balanced, integrated plan could be developed”

This study describes blighted conditions on the project site using a combination of physical, land use, and other indicators in order to paint a detailed and comprehensive picture of current conditions on the project site and to compare conditions on the project site to conditions in surrounding areas.

The study focuses primarily on the physical condition (e.g., exterior and interior conditions) and use characteristics (e.g., occupancy status and site utilization) of the parcels that make up the project site. These characteristics are presented in Section B. Section C presents a detailed profile of every property on the project site, organized by tax block and lot. For purposes of this report, these physical and use characteristics are considered to be the main determinants of blight.

The lot profiles are supplemented with additional analyses that provide a broader geographic and analytical context in which to evaluate conditions on the project site. Section D compares crime rates on the project site to crime rates in surrounding communities. Section E discusses the benefits of the proposed Atlantic Yards Arena and Redevelopment Project and describes its potential economic and fiscal impacts on New York City and State. Section F discusses the multiplicity of property ownership that has hindered site assemblage and impeded the sound growth and development of the proposed project site.



B. HISTORICAL CONTEXT AND OVERVIEW OF CURRENT CONDITIONS

The proposed project site outlined in the General Project Plan is an area that has suffered from physical deterioration and relative economic inactivity for at least four decades. Dominated by an approximately 9-acre open rail yard and otherwise generally characterized by dilapidated, vacant, and underutilized properties, the site creates a clear visual and physical barrier between the neighborhoods north and south of Atlantic Avenue. As described below, the northern portion of the proposed project site is part of the Atlantic Terminal Urban Renewal Area (ATURA). A vast majority of blocks included in ATURA have experienced significant revitalization since the original URA designation in 1963 and have had a markedly positive effect on adjacent blocks to the north, west, and east of ATURA boundary. In contrast, the southernmost blocks of ATURA (Blocks 927, 1118, 1119, 1120, and 1121) which are part of the proposed project site have yet to be improved over the conditions that led the City to designate the area as blighted approximately 40 years ago. As described below, these southern blocks have had a blighting effect on blocks south of Pacific Street (1127, 1128, and 1129). The result is an approximately 8-block area, comprising the proposed project site that has been physically blighted and underutilized for decades.

Atlantic Terminal Urban Renewal Area (ATURA)

Conditions Prior to Urban Renewal Designation

The area in the vicinity of the intersection of Atlantic Avenue and Flatbush Avenue was identified as blighted and in need of revitalization more than 50 years ago. In 1954 the City Planning Commission revised the City's master plan and "designated fifty sections of the City as being blighted or otherwise suitable for new residential construction."¹ The section along Atlantic Avenue and the LIRR right-of-way was one of them. Again in 1958 the area around the LIRR Brooklyn terminal became the subject for renewal plans. As hopes for a new Dodger stadium in the area faded, John Cashmore, Brooklyn Borough President at the time, recommended to the Mayor's Committee on Slum Clearance, headed by Robert Moses, that a 21.5 acre site bounded by Hanson Place, Flatbush Avenue, Atlantic Avenue and Cumberland Place be the location for a Title I project.² Title I of the Housing Act of 1949 gave cities the power of eminent domain to facilitate clearance of slums and removal of blight.

In 1962, the City Planning Commission and the Brooklyn Borough President's office undertook a study of the need for renewal in an area known as the "Hub" which contained a heavy concentration of rail-road, subway, commercial and automobile facilities near the intersection of Atlantic Avenue, Flatbush Avenue and Fourth Avenue. The area was described as an inharmonious mixture of proud buildings set among old decaying tenements and blighted storefronts.³ Aside from the transportation infrastructure, the dominant land use in the area was the Fort Greene wholesale meat market which was described as "congested and antiquated...consisting of sixty narrow two- to four-story buildings, most of which were homes back in the gaslight era."⁴

Abe Stark, the Brooklyn Borough President at the time, hoped to see "government-aided" middle income housing and private housing in the area as part of a projected \$150 million improvement project (which is the equivalent of about \$1 billion in today's dollars). The planners of that era recognized that institutions like the Brooklyn Academy of Music and the Williamsburgh Savings Bank could serve as anchors for the new neighborhood.

1 50 Sections Listed in Rehousing Plan, New York Times, December 31, 1954.

2 New York Times, December 8, 1958.

3 Renewal Studies in Brooklyn "Hub," New York Times, August 3, 1962.

4 Ibid.

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Designation of the Urban Renewal Plan

The growing concern for the blighted conditions in the hub area led to the City's designation of a 20-block section of the Fort Greene neighborhood as the Fort Greene Market Urban Renewal Area in 1963. The New York City Planning Commission found the area to be "sub-standard and insanitary by reason of deteriorated buildings, inadequate street design, and incompatible land uses," and deemed the area appropriate for urban renewal under the City's Urban Renewal Law. The newly designated urban renewal area was named the Fort Greene Market Urban Renewal Area after the Fort Greene meat market, which was located just east of the LIRR Terminal. The area was bounded by State Street, Hanson Place, Greene Avenue, Clermont Avenue, Fulton Street, Vanderbilt Avenue, Pacific Street, 4th Avenue, Atlantic Avenue, and Third Avenue. As shown in Figure 3, several blocks of the proposed project site (927, 1118, 1119, 1120, and 1121, comprising approximately 63 percent of the total square footage of the project site) are located within the boundaries of this early Fort Greene Urban Renewal Area.

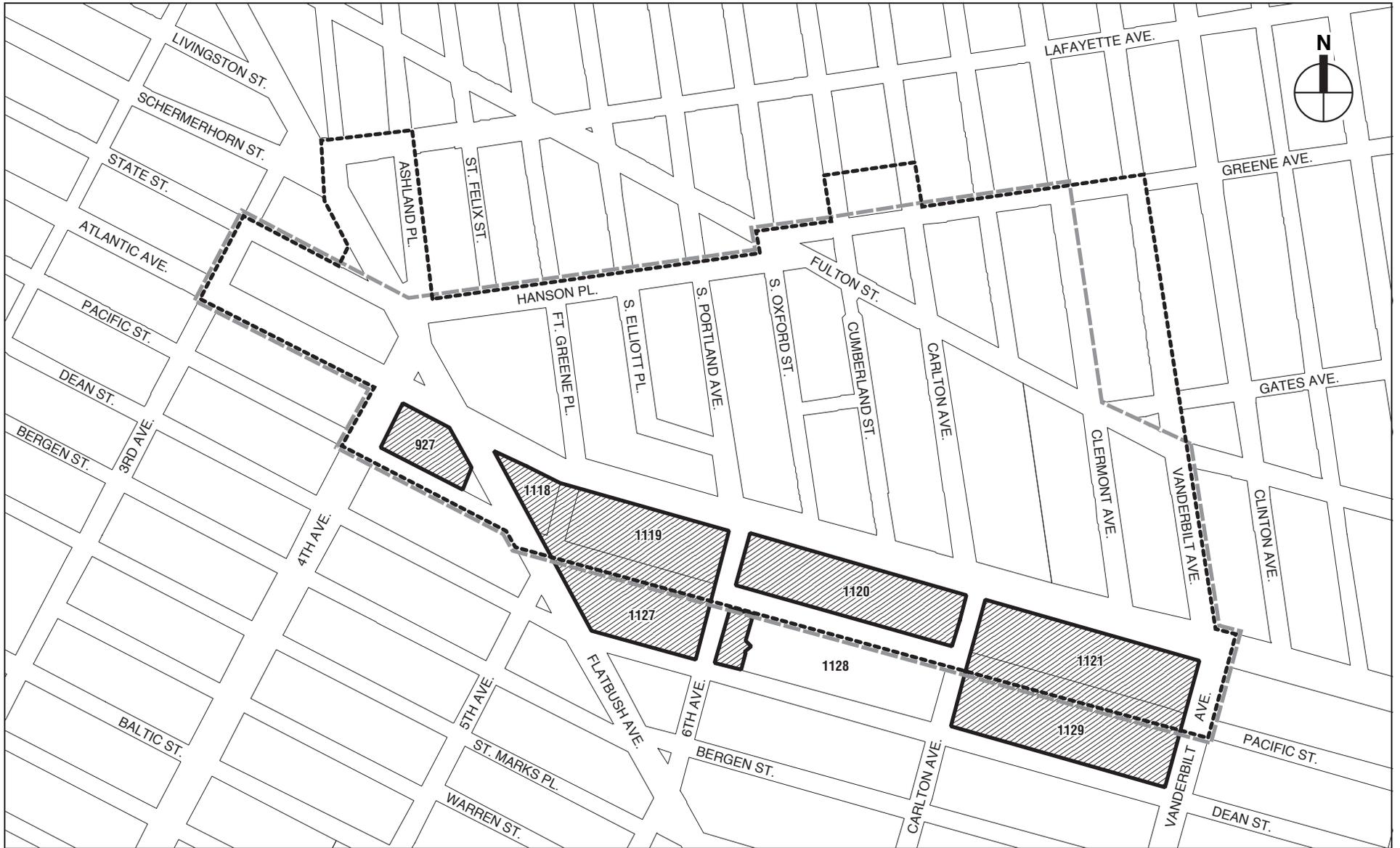
Despite the renewed interest in the area created by the urban renewal designation and the City's master plan, there was no immediate improvement. In September 1965, a New York Times article reported 43 vacant storefronts on Flatbush Avenue between DeKalb Avenue and Grand Army Plaza. Fourteen of those deserted stores were located in the single block between Hanson Place and Schermerhorn Street, where there had formerly been national chain stores such as Adler Shoes, Florsheim Shoes, and Crawford Clothes.

In 1968, the urban renewal area was expanded to include three additional blocks and two partial blocks at the northern and eastern sections of the Fort Greene Urban Renewal Area (see Figure 3). These additional blocks were added for various reasons, including: to eliminate blighting influence on surrounding areas; to permit street widening; to provide for elimination of existing substandard conditions; and to allow owners of substandard residential buildings to obtain Federal home improvement loans. With this expansion, the Fort Greene Urban Renewal Area was renamed the Atlantic Terminal Urban Renewal Area (ATURA). In total, ATURA comprises approximately 104 acres of land. Five of the eight blocks that make up the proposed project site are located within the boundaries of ATURA. The project site blocks make up approximately 13 percent of ATURA.

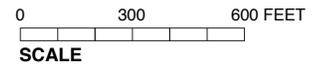
As stated in the 1968 Urban Renewal Plan (the Plan), the Plan's objectives were:

- Removal of structurally substandard buildings;
- Elimination of negative environmental conditions;
- Removal of impediments to land development (i.e., multiplicity of ownership);
- Reorganization of the presently inefficient street pattern;
- Rehabilitation of existing residential buildings wherever feasible;
- Continuation of local employment opportunities through the retention of structurally sound non-residential buildings wherever feasible;
- Provision of new housing for low and moderate income families built to high standards of design, privacy, light, air, and open space;
- Provision of compact, efficient local retail commercial areas;
- Provision of land for public, recreational, and community facilities; and
- Provision of off-street parking to relieve traffic congestion.

Among other efforts, the Plan called for the relocation of the Fort Greene meat market (which had persistently failed to meet federal meat packing standards), the demolition of approximately 800 dwelling units, and the creation of 2,400 dwelling units and a new Baruch College campus to be constructed using air rights over a portion of Atlantic Avenue near Flatbush Avenue and the LIRR tracks south of Atlantic Avenue (on Block 1119, the westernmost of the three blocks that comprise the rail yard por-



-  Project Site
-  Atlantic Terminal Urban Renewal Area Boundary
-  1963 Fort Greene Market Urban Renewal Area Boundary



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tion of the present day proposed project site). The decade of the 60's ended with hope and promise for ATURA, but no action and no physical improvement of the area.

The Public Sector Role in Urban Renewal

The urban renewal plan proposed the site over the railroad tracks for a main campus for Baruch College. However, resistance to moving the college to this site grew during the early 1970s, as the high cost of platforming over the rail yard became evident. According to a 1973 New York Times article, Baruch College ultimately rejected the site because "...such construction would have involved an additional expenditure of \$27 million, over and above the cost of the building itself."⁵ In 1975, the Third Amendment to the Plan changed the college's proposed location to a site north of Atlantic Avenue, but the campus was never built in ATURA and that second site intended for Baruch College is now occupied by the Atlantic Center commercial complex and a series of low-rise rowhouses administered by the New York City Housing Partnership. In addition, the amendment removed all of the railroad sites (Blocks 1119, 1120, and 1121) from the list of sites to be acquired for redevelopment.

But as the ambitious plan for constructing Baruch College stalled, the public sector stepped forward to make substantial investments in public education, public housing, and moderate income cooperatives. The urban renewal plan allowed for a change in the City Map that demapped and later closed Cumberland Street between Fulton Street and Atlantic Avenue. In 1972, Sterling High School, a special education school, was built in the super-block between Fulton Street, Carlton Avenue, Atlantic Avenue and Clermont Avenue. In 1974 the New York City Housing Authority (NYCHA) started construction of over 300 units of public housing in the same block just north of the high school. At about the same time the private sector responded to the housing demand by building over 300 units of cooperative apartments along Fulton Street in the same block, using the provisions of Mitchell Lama program, a low interest mortgage program to spur the development of moderate income home ownership. About 200 additional coop units were under construction during the same time period in the block between Hanson Place, S. Elliott Place, Atlantic Avenue and S. Portland Street.

By the mid-1970s a financial crisis gripped the City and delayed redevelopment in ATURA. The economy of the City and the nation was initially shaken by the oil embargo instituted by oil producing countries in 1973. By 1975 the City's budget was in disarray, and the state stepped in to facilitate borrowing by establishing a Financial Control Board which was to act as a fiscal watchdog and help contain the deficit. The only urban renewal activity that the City could muster in the last half of the 1970s was demolition, including the Fort Greene Meat Market, a large portion of the LIRR Brooklyn Terminal, and substandard housing that covered the remaining portion of ATURA. As the decade closed the only development in ATURA besides the earlier housing construction was a temporary parking lot for the Daily News building.

The Private Sector Role in Urban Renewal

Throughout the 1970s and 1980s private sector investment in ATURA lagged behind public sector investment. Until the most recent Amendment to the Plan (the 10th Amendment, issued in 2004), properties within ATURA designated as Q properties, including the railroad yards as mentioned above, were subject to Rehabilitation Standards. The 8th amended version of the plan, issued in 1985, indicates that "all properties designated (Q) 'Not to be Acquired' . . . are not to be acquired but are to be kept at a high level of maintenance." The plan indicates that Q properties must meet specific criteria and that "any property designated for rehabilitation which is not improved to the standards set forth [in the document] within a reasonable time shall be subject to acquisition, through condemnation, pursuant to the Urban Renewal Plan."⁶

5 New York Times, "City Wants College At Renewal Site," Pranay Gupte, February 4, 1973.

6 Section C4a, Atlantic Terminal Urban Renewal Plan, July 1985.

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The 1985 amended plan goes on to state the purpose of the Rehabilitation Standards:

The intent of the Standards is to assure a high level of rehabilitation for health, safety, and fire protection, light ventilation, cleanliness, repair and maintenance, and structural stability for properties designated for rehabilitation, as well as to prevent adequate or salvageable housing or non-residential structures from deteriorating below minimum levels that impair the comfort and appearance of the property and the attractiveness of the entire neighborhood.

The Rehabilitation Standards stated that Q properties must comply with all applicable New York City and State codes, ordinances, and regulations (such as the NYC Building Code and Electrical Code and the NYS Multiple Dwelling Law) and should meet additional standards of exterior and interior building and grounds maintenance. It is apparent that these rehabilitation standards have not been met on many parcels. Photographs M and N, discussed later in this section, show sidewalk conditions along the southern portion of the rail yard. As illustrated by the pictures, physical conditions along the perimeter of the rail yard properties, which were designated as Q properties and therefore subject to rehabilitation standards, are characterized by overgrown weeds, crumbling sidewalks, trash and other debris, and barbed wire fencing.

It was nearly a decade after the construction of the home ownership units and public housing before there was any renewed interest in development in ATURA. With the railroad yards removed from the list of properties to be acquired, development plans concentrated on the portion of ATURA north of Atlantic Avenue. In 1983 Rose Associates proposed an ambitious plan, calling for 1.8 million square feet of office space, about 200,000 square feet of retail space, a multiscreen cinema, a large supermarket, and parking garage. In addition there were plans for more than 600 units of affordable housing. Again, the public sector played a key role in encouraging private development in ATURA by providing approximately \$18 million in public financing through the city and an Urban Development Action Grant (UDAG). Although the project received the necessary public approvals in 1986, it became embroiled in litigation with some neighborhood groups, resulting in a delay of several years that included the stock market crash in October 1987, and the ensuing downturn in the local, regional and national economy that plagued the City through the early 1990s. Once again, economic conditions put the development of ATURA on hold.

As the City began to emerge from the economic doldrums, Forest City Ratner Companies (FCRC) took control of a portion of the proposed redevelopment in ATURA. In 1996 the Atlantic Center Mall opened, bringing nearly 400,000 square feet of commercial space to ATURA between Fort Greene Place, Atlantic Avenue, S. Elliott Place, and Hanson Place. FCRC persuaded national chain retailers to return to the area near the junction of Flatbush Avenue and Atlantic Avenue with stores such as the Sports Authority, Marshall's, Old Navy and Pathmark. At about the same time the New York City Housing Partnership began to sponsor affordable low-rise home ownership development within ATURA, helping to create a mixed-use neighborhood of residents and shopping where there had been slums, abandonment and blighted conditions 40 years earlier.

The revitalization of ATURA north of Atlantic Avenue continued with the opening of Atlantic Terminal in March 2004. The newest mixed use project added 370,000 square feet of retail space, including another national chain store, Target, as well as a major employer in the 470,000 square foot Bank of New York Building.

The 10th and most recent amendment to the Plan (issued in 2004) eliminated all Q designations and associated rehabilitation requirements from parcels included in ATURA. However, the amendment also extended the duration of the Plan so that it would remain in effect for 40 years from the date of the amendment's approval. In the amendment, the City Planning Commission and City Council cite the area's continued eligibility for designation as an urban renewal area, stating that various insanitary and substandard conditions continue to adversely affect the quality of life in ATURA and its immediate

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vicinity. These conditions include, among other things: “abandoned vacant, substandard, underutilized, and/or obsolete buildings and structures characterized by physical deterioration, high levels of code violations, defective construction, outmoded design, lack of proper sanitary facilities, and/or inadequate fire or safety protection”; “abandoned, vacant, underutilized, substandard, and/or insanitary lots”; and “hazardous or detrimental industrial uses.”⁷

The City’s recognition in 2004 that ATURA remained eligible for designation as an urban renewal area is necessarily focused on the portion of the urban renewal area south of Atlantic Avenue where abandoned, vacant, substandard, underutilized, and/or obsolete buildings and structures continue to adversely affect the quality of life in ATURA and its immediate vicinity.

Current Conditions: ATURA and Proposed Project Site

Over the past several years, a variety of new residential and commercial development projects have been completed within the boundaries of ATURA. Among them are: Atlantic Center (395,000 sf of retail), opened in 1996; Atlantic Terminal (470,000 sf of retail and 425,000 sf of office), opened in 2004 over the Atlantic Terminal transit hub; and a large number of rowhouses recently constructed north of Atlantic Avenue along South Portland Avenue and South Oxford, Cumberland, and Carlton Streets, that are currently administered by the New York City Housing Partnership.

Today, the ATURA area north of Atlantic Avenue has become a vibrant retail, office, and residential area.

However, as noted above, portions of ATURA south of Atlantic Avenue remain characterized by unsanitary and substandard conditions, including abandoned, vacant, underutilized, and/or obsolete buildings and structures characterized by physical deterioration and outmoded design, among others, and these conditions continue to adversely affect the quality of life in the urban renewal area and its immediate vicinity. As a result, the Tenth Amended Urban Renewal Plan (2004) extended the area’s eligibility as an urban renewal area.⁸ As this study illustrates, this is particularly true for those blocks that are located within the proposed project site. For example, Blocks 1119, 1120, and 1121 contain the LIRR Vanderbilt Yards which are sub-optimal from an operational standpoint. Although the LIRR Atlantic Terminal provides accessibility for commuters to employment centers in the vicinity of Downtown Brooklyn (and a transfer point for Long Island commuters heading to downtown Manhattan), the current condition of the storage and maintenance yard hampers service. The configuration of the nearly century-old Vanderbilt Yard is not optimal to handle the demands of modern commuter rail operations. Currently, there is no direct connection between the yard and the terminal. Trains leaving the terminal and heading for the yard have to move eastward under Atlantic Avenue, then stop and reverse direction to move onto a track leading to the yard. Once there, the trains are stored on parallel tracks that are too close to one another to allow servicing of any except the trains on the outer tracks. To clean the cars and empty waste, the trains must be moved in and out of position until each train has had its turn on an outer track. The configuration of the rail yard thus makes the movement of trains and their maintenance slow and cumbersome. In order to create a layout that produces efficient movement and ease of maintenance in the yard and allows the LIRR to utilize modern equipment, the entire rail yard needs to be reconfigured and rebuilt.

Not only are the Vanderbilt Yards sub-optimal, but their below-grade location creates a major physical and visual gap in the urban landscape that prevents the blocks in ATURA south of Atlantic Avenue from achieving the objectives in the urban renewal plan that have already been achieved to the north. These objectives include providing new housing of high quality, providing community facilities, parks, recreational uses, retail shopping and parking, providing employment opportunities, and providing a stable environment with the urban renewal area that will not be a blighting influence on surrounding

7 Section A5, Atlantic Terminal Urban Renewal Plan, Revised April 2004.

8 Atlantic Terminal Renewal Project, Tenth Amended Urban Renewal Plan, Revised April 2004, pp. 5 And 6.

Atlantic Yards Arena and Redevelopment Project—Blight Study



Photograph A: View east over rail yard on Block 1119



Photograph B: View north across rail yard and Atlantic Avenue from Block 1119

Atlantic Yards Arena and Redevelopment Project—Blight Study



Photograph C: View east on Pacific Street from Block 1119



Photograph D: View east on Atlantic Avenue from Flatbush Avenue

Atlantic Yards Arena and Redevelopment Project—Blight Study

neighborhoods.⁹ In addition, the rail yard creates a barrier between the redeveloped area of ATURA north of Atlantic Avenue and the relatively isolated streets in the proposed project area south of Atlantic Avenue. As indicated by crime statistics described in more detail in this study, this gap in the urban landscape has created conditions where crime rates on the proposed project site are higher than in the blocks in other parts of ATURA and the police precincts that incorporate the urban renewal area.

A remedy that would achieve the urban renewal plan's goals of new residential, commercial and recreational uses, and new employment opportunities is to fill the gap with a deck over the rail yard, as proposed in 1968 Plan for ATURA. Covering the rail yard at grade would provide a foundation for the desired and needed redevelopment of the area, and at the same time connect all of the neighborhoods that come together near the intersection of Atlantic Avenue and Flatbush Avenue. The creation of a new street-level urban environment would eliminate the conditions in the rail yard and on the sidewalks around the rail yard that have had a blighting influence on adjacent blocks. Photograph A illustrates the gap in the continuity of the urban landscape within ATURA caused by the rail yard (Block 1119, Lot 7), and how the vast expanse of desolate tracks is an impediment to achieving the objectives of the Tenth Amended Urban Renewal Plan. Photograph B further illustrates how the Vanderbilt Yard in its current configuration makes it impossible to create the active urban environment intended by the urban renewal plan on the south side of Atlantic Avenue. Photograph C illustrates how the rail yard and the sidewalks around the rail yard have had a blighting influence on the adjacent block south of Pacific Street (Block 1127) where four buildings were demolished by the project sponsors with approval from ESDC because they were found to be unsafe and unsound, and where there are several vacant buildings and a vacant lot.

Thus, instead of having a vibrant and active street life and productive land uses as called for in the urban renewal plan, as found on the north side of Atlantic Avenue, the blocks in the proposed project site south of Atlantic Avenue have been unable to achieve the goals of the urban renewal plan some 50 years after the area was designated as blighted and in need of revitalization. For example, Block 1118, at the southeast corner of Atlantic and Flatbush Avenues, contains an overgrown lot strewn with debris and surrounded by a chain link fence topped in barbed wire. Prior to Spring 2006, the block also contained a series of vacant, structurally unsound warehouse buildings fronting on Atlantic Avenue. These buildings were found to be a threat to health and safety and were demolished in Spring 2006 with consent from ESDC. Block 1119, just across Atlantic Avenue from the bustling Atlantic Center shopping complex, hosts a U-Haul truck rental facility and the western end of the rail yard, both surrounded by chain link fences with portions topped in barbed wire. Moving to the east along Atlantic Avenue, Blocks 1120 and 1121 host the middle and eastern portions of the rail yard, two warehousing and storage facilities, along with two gas stations and a 21,330 square foot vacant lot. Again, none of the land uses or businesses in these blocks supports, promotes or achieves the objectives of the urban renewal plan. The vacant property and warehousing uses in Block 1120, together with the below-grade rail maintenance facility that occupies the remainder of Block 1120 and bus storage that occupies most of Block 1121 do not generate the employment opportunities called for in the urban renewal plan, nor have they encouraged the creation of employment opportunities or residential uses in the project site just outside the urban renewal area. Indeed, most of the commercial and industrial buildings in the proposed project site in Blocks 1128 and 1129 are vacant or substantially vacant, and most of the residential buildings do not provide rehabilitated housing of upgraded quality, as sought by the urban renewal plan.

The contrast between these southernmost blocks of ATURA and the blocks north of Atlantic Avenue is dramatic. As illustrated in Photographs D and E, the blocks south of Atlantic Avenue bear little resemblance in their condition and use to the blocks north of the avenue. A person unfamiliar with the area would never guess, viewing separate pictures of the north and south sides of Atlantic Avenue that the images belong to adjacent blocks.

⁹ Atlantic Terminal Urban Renewal Project, Tenth Amended Urban Renewal Plan, Revised April 2004, pp. 5 and 6.

Atlantic Yards Arena and Redevelopment Project—Blight Study



Photograph E: View north on 5th Avenue from Pacific Street



Photograph F: View south on S. Portland Avenue from S. Elliot Place

Atlantic Yards Arena and Redevelopment Project—Blight Study



Photograph G: View west on Fulton Street from Carlton Avenue



Photograph H: View west on Pacific Street from eastern end of Block 1129

Atlantic Yards Arena and Redevelopment Project—Blight Study



Photograph I: View west on Pacific Street from western end of Block 1129



Photograph J: View south over Block 1119 (rail yard) to Block 1127

Atlantic Yards Arena and Redevelopment Project—Blight Study

Photograph D contrasts the Atlantic Center shopping center on the north of Atlantic Avenue (left) with the aforementioned vacant, debris-strewn lot on the south (Block 1118, lot 6) ringed by barbed wire, and vacant warehouse buildings beyond (Block 1118, lots 21-27). The foreground in Photograph E shows underutilized parcels in the blocks south of Atlantic Avenue—including a parking lot for U-Haul trucks on the right (Block 1119, lots 1 and 64) and a vacant auto repair shop on the left (Block 1118, lot 1) with the vacant warehouse buildings (Block 1118, lots 21-27) behind. In contrast, the background in Photograph E shows the redeveloped area north of Atlantic Avenue—Atlantic Center on the right, the Atlantic Terminal office tower (which houses the Bank of New York) in the center, and the Williamsburgh Savings Bank building (which is slated for residential conversion) on the left.

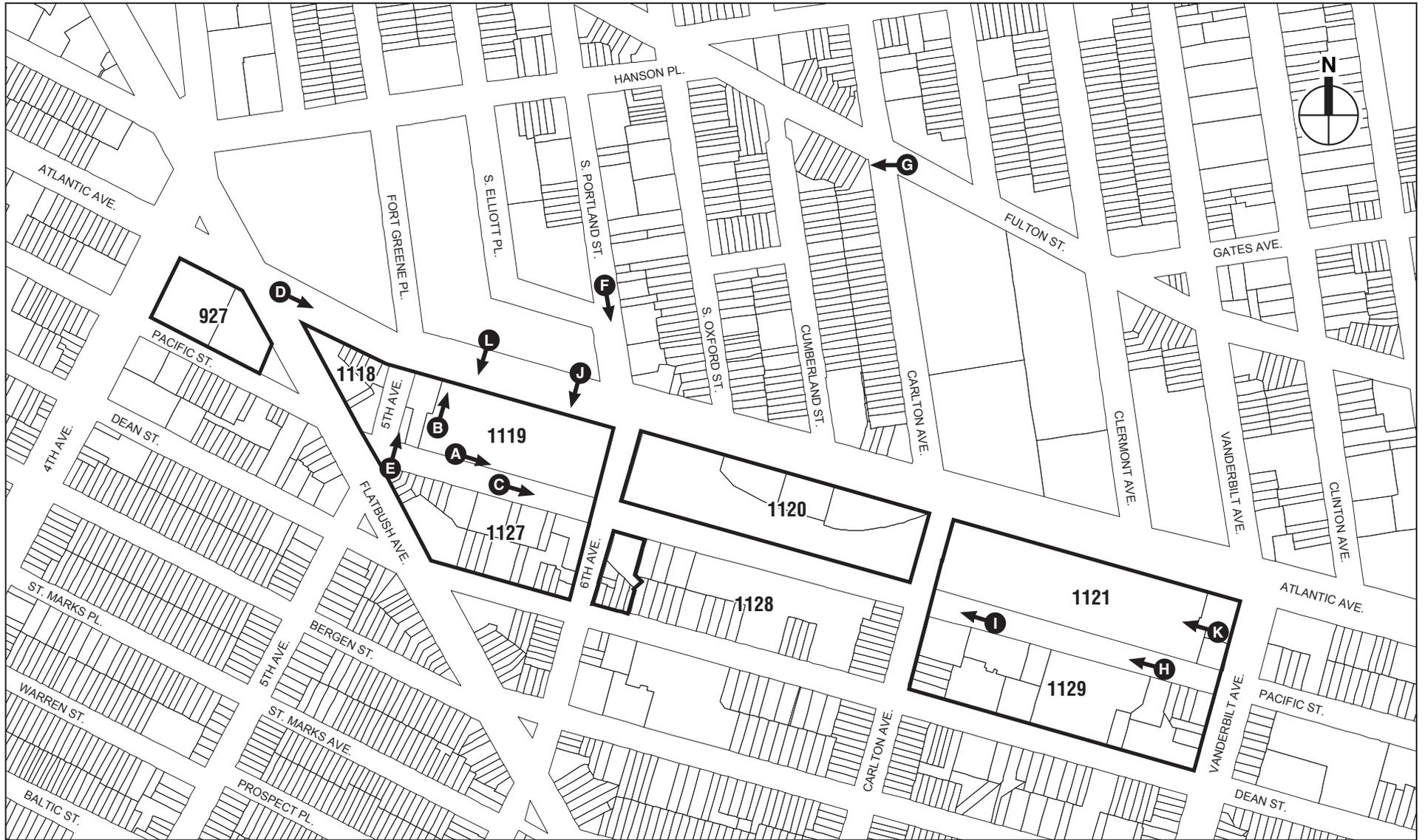
Comparing conditions in Photographs F and G with conditions depicted in Photographs H and I further illustrates the progress in removing blight from ATURA north of Atlantic Avenue compared to continued unsanitary conditions and underutilization of the properties south of Atlantic Avenue immediately adjacent to ATURA. Photographs F and G depict streets and buildings that are typical to the revitalized areas of ATURA north of Atlantic Avenue. Photograph F shows some of the recently completed multi-family housing administered by the New York City Housing Partnership (left) and the eastern façade of the Atlantic Center mall (right). The bridge that crosses the rail yard between Blocks 1119 and 1120 is visible in the picture's background. Photograph G shows more recently constructed multi-family housing at the corner of Fulton Street and Carlton Avenue, one block north of Atlantic Avenue.

In contrast, as illustrated by Photographs H and I, the blocks south of Atlantic Avenue host a combination of vacant, underutilized, and physically deteriorating structures and vacant lots, and are lined with cracked and crumbling sidewalks that are overgrown with weeds and strewn with trash. Photograph H shows the fenced rail yard and deteriorated sidewalk to the right (Block 1121, lot 1) and an old warehouse building (Block 1129, lot 25) to the left. Further west along that same block, Photograph I shows the fenced rail yard to the right and a primarily vacant warehouse building (Block 1129, lot 13) to the left. In the background of the picture, beyond lot 13, is a market rate condominium building (Newswalk), which is not part of the proposed project site. Other market rate condominium buildings in the immediate vicinity include: 618 Dean Street on the south side of Dean Street between Carlton and Vanderbilt Avenues (not part of the project site) and 636 Pacific Street and 24 6th Avenue (part of the proposed project site). The proximity of these market-rate condo buildings to the blighted properties profiled in this study indicates that, although some isolated redevelopment has occurred on blocks just south of the ATURA boundary, most of the residents in this area continue to live among conditions that are unsanitary and unsafe.

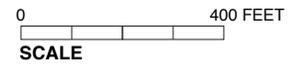
Photograph J, taken from the north side of Atlantic Avenue looking south over the rail yard on Block 1119, again demonstrates the contrast between redevelopment of ATURA north of Atlantic Avenue and continuing blighted conditions to the south of Atlantic Avenue, particularly along Pacific Street adjacent to the rail yard. Photograph J illustrates the relative underutilization of the Block 1119 and the physically deteriorating buildings that lie just south of the ATURA boundary. The contrast between the blocks shown in the photograph and the blocks north of Atlantic Avenue (at the photographer's back), which include a revitalized mixed-use neighborhood within the ATURA boundary, is remarkable.

The presence of the rail yard and other dilapidated, vacant, or underutilized properties on the south side of Atlantic Avenue within ATURA create a visual and physical barrier between the redeveloped areas to the north of Atlantic Avenue and other properties south of the avenue, adjacent to ATURA. Photographs K and L and the aerial photograph shown in Figure 5 illustrate the scale of the rail yard and provide a sense of how they serve as a conspicuous gap in the residential, commercial, and institutional fabric of the area.

As this study will show, the southernmost blocks of ATURA—which have yet to be improved over the conditions that led the City to designate the area as blighted over 40 years ago—have had a blighting



-  Project Site
-  Lots
-  View Letter and Direction





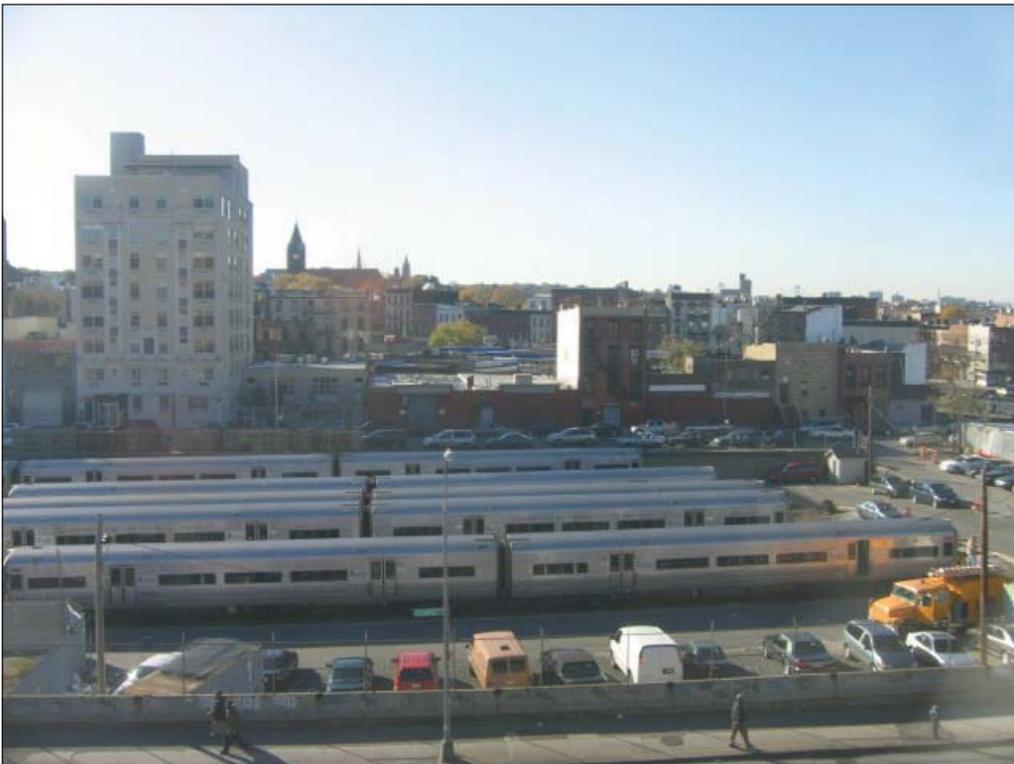
 Project Boundary
 Rail Yard

0 400 FEET
SCALE

Atlantic Yards Arena and Redevelopment Project—Blight Study



Photograph K: View west over Block 1121



Photograph L: View south over Block 1119

Atlantic Yards Arena and Redevelopment Project—Blight Study

effect on adjacent blocks south of Pacific Street (Blocks 1127, 1128, and 1129). Those blocks, which comprise the southern portion of the proposed project site, are not included in ATURA. Therefore, unlike the blocks north of Atlantic Avenue, they have not benefited from deliberate, publicly guided redevelopment efforts. Both stretches face an open rail yard that has created a sense of isolation on the project site and has remained a barrier to economic development for decades. The redevelopment of the blocks north of Atlantic Avenue is a direct result of their ATURA designation. The blocks south of Atlantic Avenue have generally been neglected and left in a state of deterioration for the past 40 years. Given this pattern of successful economic development to the north and neglect to the south, it is highly unlikely that the blighted conditions currently present on the proposed project site will be removed without public action.