

## Atlantic Yards Arena and Redevelopment Project—Blight Study

### D. CRIME RATES

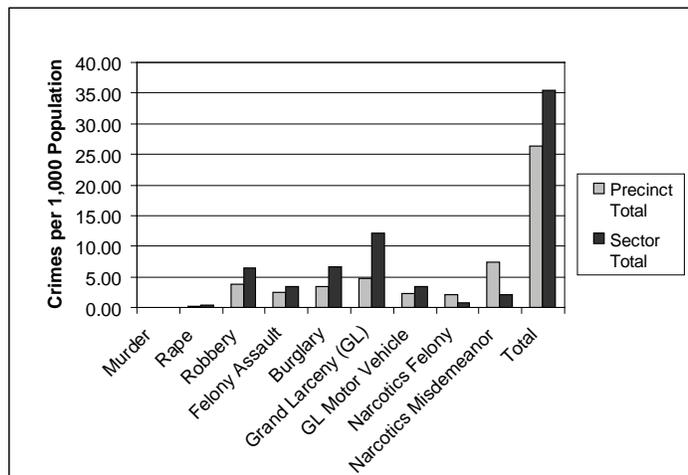
As described in Sections B and C of this report, the project site is characterized by blighted conditions including an active but open and below-grade rail yard, vacant lots, vacant buildings, unsanitary and unsafe conditions, and buildings that are structurally unsound. An analysis of crime statistics compiled by the NYPD indicates that the project site is also characterized by high crime rates, another indicator of blighted conditions. As discussed below, 2004 and 2005 crime data indicate that per capita crime rates on the project site and in surrounding blocks are higher than for the broader precincts in which the project site is located.

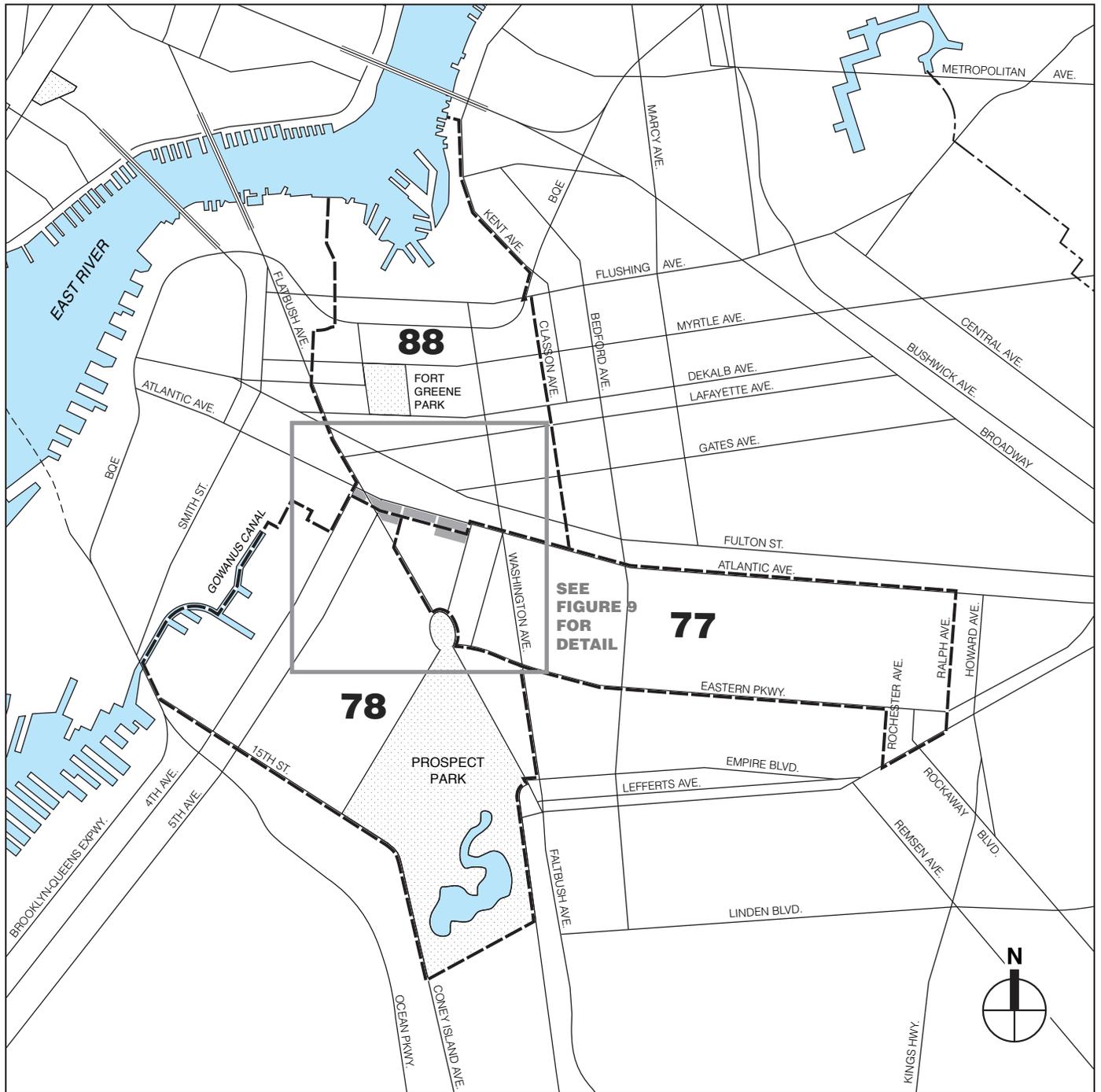
As shown in Figure 8, the project site overlaps three New York City Police Department (NYPD) precincts. The northern portion of the project site, including Blocks 927, 1118, 1119, 1120, and 1121, is located in the 88th precinct. The southern portion of the project site is divided between the 77th and 78th precincts, with Blocks 1128 and 1129 located in the 77th precinct and Block 1127 located in the 78th precinct. For crime reporting purposes, the NYPD divides each precinct into groups of blocks called “sectors.” As shown in Figure 9, the three sectors that cover the project site are: sector A in the 77th precinct; sector D in the 78th precinct; and sector E in the 88th precinct.

Sectors are the smallest geographic area for which the NYPD publishes crime data. Therefore, it is not possible to determine the number of crimes that have occurred on the project site itself. However, crime rates in the sectors that overlap the project site (referred to here as the study area) can be compared to precinct averages to determine whether there are any substantial differences between crime rates on and around the project site and crime rates in the larger precincts. Table D-1 presents this comparison for 2004 and 2005, the most recent years for which annual crime data is available.

As shown in the table and illustrated in Figures D-1 and D-2, the total crime rate for the study area (sectors 77A, 78D, and 88D) was substantially higher than the total crime rate for the larger three-precinct area (precincts 77, 78, and 88) in both 2004 and 2005. In 2004, the total crime rate for the study area (35.4 crimes per 1,000 persons) was approximately 34 percent higher than the crime rate for the larger precinct area (26.4 crimes per 1,000 persons). Although the total crime rate for the study area decreased slightly between 2004 and 2005 (from 35.4 to 34.3 crimes per 1,000 persons), it was still approximately 16 percent higher than the crime rate for the three-precinct area (29.6 crimes per 1,000 persons). Crime

**Figure D-1: 2004 Crime Rates, Precincts 77, 78, 88 and Sectors 77A, 78D, 88E**





*Project Site*  
 *Police Precinct Boundary*

0                      1/2                      1 MILE  
**SCALE**



Project Site  
 Police Precinct Sector Boundary

0 1000 FEET  
SCALE

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Table D-1: 2004 and 2005 Crime Rates, Precincts 77, 78, 88 Compared to Study Area Sectors

PRECINCT	2004				2005			
	77	78	88	Total	77	78	88	Total
	Number of Crimes	Rate per 1,000 Pop	Number of Crimes	Rate per 1,000 Pop	Number of Crimes	Rate per 1,000 Pop	Number of Crimes	Rate per 1,000 Pop
Murder	15	0.2	3	0.1	12	0.1	1	0.0
Rape	33	0.3	6	0.1	16	0.2	7	0.1
Robbery	391	4.1	223	3.7	405	4.2	318	3.2
Felony Assault	404	4.2	81	1.3	346	3.6	141	1.4
Burglary	408	4.2	284	4.7	311	3.2	232	2.4
Grand Larceny	370	3.9	375	6.2	350	3.6	444	4.5
Grand Larceny of Motor Vehicle	193	2.0	188	3.1	149	1.6	161	1.6
Narcotics Felony	374	3.9	72	1.2	638	6.6	141	1.4
Narcotics Misdemeanor	1,391	14.5	128	2.1	1,885	19.6	486	4.9
<b>Total</b>	<b>3,579</b>	<b>37.3</b>	<b>1,360</b>	<b>22.5</b>	<b>4,112</b>	<b>42.8</b>	<b>1,931</b>	<b>19.6</b>
<b>SECTOR</b>	<b>77A</b>	<b>78D</b>	<b>88E</b>	<b>Total</b>	<b>77A</b>	<b>78D</b>	<b>88E</b>	<b>Total</b>
	Number of Crimes	Rate per 1,000 Pop	Number of Crimes	Rate per 1,000 Pop	Number of Crimes	Rate per 1,000 Pop	Number of Crimes	Rate per 1,000 Pop
Murder	0	0.0	0	0.0	1	0.2	0	0.0
Rape	3	0.6	2	0.3	1	0.2	2	0.6
Robbery	43	8.0	23	3.9	54	10.0	39	11.2
Felony Assault	22	4.1	8	1.4	6	1.1	24	6.9
Burglary	39	7.3	34	5.8	22	4.1	9	2.6
Grand Larceny	46	8.6	50	8.5	37	6.9	115	33.1
Grand Larceny of Motor Vehicle	14	2.6	18	3.1	17	3.2	13	3.7
Narcotics Felony	0	0.0	4	0.7	1	0.2	4	1.2
Narcotics Misdemeanor	8	1.5	4	0.7	12	2.2	20	5.8
<b>TOTAL</b>	<b>175</b>	<b>32.5</b>	<b>143</b>	<b>24.4</b>	<b>151</b>	<b>28.1</b>	<b>226</b>	<b>65.1</b>

**Source:** NYPD Office of Management, Analysis and Planning (OMAP), AKRF, Inc.

**Notes:** Generalized definitions for the crime categories listed in the table are presented below. Further detail can be obtained from New York State Penal Law.

**Robbery:** Forcible stealing. A person forcibly steals property and commits robbery when, in the course of committing a larceny, he uses or threatens the immediate use of physical force upon another person. (See Article 160 of New York State Penal Law for further detail.)

**Felony Assault:** When a person causes physical injury to another person with intent to cause such injury, or through recklessness, or criminal negligence. (See Article 120 of New York State Penal Law for further detail.)

**Burglary:** When a person knowingly enters or remains unlawfully in a building with intent to commit a crime therein. (See Article 140 of New York State Penal Law for further detail.)

**Grand Larceny:** When a person steals property and the value of the property exceeds \$1,000 or meets other criteria such as: if the property is secret scientific material, if the property is a credit or debit card, or if the property, regardless of its nature and value, is taken from the person of another. (See Article 155 of New York State Penal Law for further detail.)

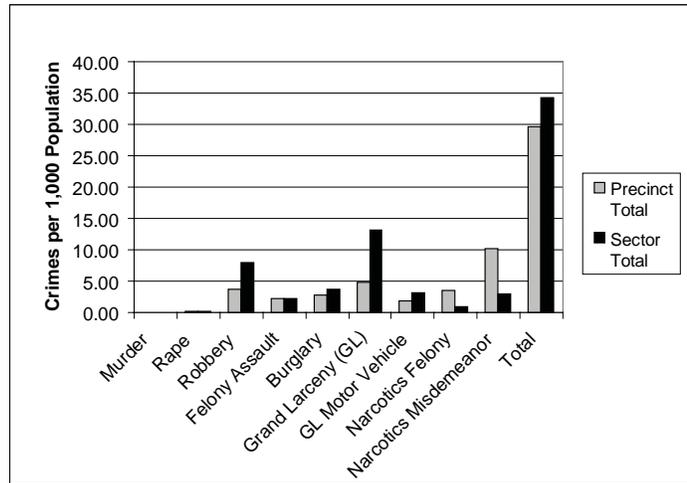
**Grand Larceny of Motor Vehicle:** When a person steals a motor vehicle.

**Narcotics Felony:** In general, refers to possession of a controlled substance with intent to sell it, possession of higher quantities/weights of controlled substances, and sale of controlled substance. (See Articles 220 and 221 of New York State Penal Law for further detail.)

**Narcotics Misdemeanor:** In general, when a person knowingly possesses a controlled substance. (See Articles 220 and 221 of New York State Penal Law for further detail.)

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**Figure D-2: 2005 Crime Rates, Precincts 77, 78, 88 and Sectors 77A, 78D, 88E**



rates for categories of crime such as robbery and grand larceny increased more substantially in the study area than in the overall three-precinct area. As described below, the data presented in Table D-1 indicate that the lack of street-level activity on the project site and the relative isolation of the project site from busier pedestrian streets such as 5th Avenue, Fulton Street, and the western portion of Atlantic Avenue creates an environment that is conducive to illegal activities. The higher crime rates for the precinct sectors encompassing the project site indicate that residents and businesses in the area are more susceptible to crime.

Differences in crime rates were most notable in the 88th precinct, which covers the bulk of the project site, including the rail yard. As shown in Table D-1, the total crime rate for sector 88E was over three times the rate for precinct 88 in both 2004 and 2005. In 2004 and 2005, the crime rates for sector 88E were 58.2 crimes and 65.1 crimes per 1,000 persons, respectively. In contrast, the crime rate for precinct 88 was only 18.2 crimes per 1,000 persons in 2004 and 19.6 crimes per 1,000 persons in 2005.

As indicated above, it is not possible to isolate crimes that have occurred within the project site boundaries. However, because five of the twelve blocks that comprise sector 88E are part of the project site it is reasonable to assume that crime rates on at least this portion of the project site are significantly higher than average. Given the physical characteristics of the project site, this high crime rate is not surprising. Night time lighting around the project site is low or non-existent – in part due to the high number of properties that are vacant and in part due to the physical characteristics of the project site and the buildings on the site. Not only are there not many uses to give off light, there are few surfaces, such as building façades, that could reflect light. Large areas of the project site that are part of the depressed rail yard have minimal lighting in their central volumes and seem to make the area even darker.

The lack of adequate lighting, presence of deteriorating built structures and vacant lots, and lack of street-level activity creates a sense of isolation that may encourage illegal activity. In 2004, the NYPD recorded 5.2 narcotics misdemeanors per 1,000 persons in sector 88E. This rate was approximately 40 percent higher than the rate for precinct 88 (3.7 narcotics misdemeanors per 1,000 persons). In 2005, the rate for sector 88E increased to 5.8 narcotics misdemeanors per 1,000 persons. This crime rate was approximately 18 percent higher than the rate for the 88th precinct (4.9 narcotics misdemeanors per 1,000 persons). Similarly, the 2004 crime rate for motor vehicle grand larceny was over three times as high in sector 88E than in the 88th precinct, and the 2005 rate for the sector was more than double the rate for the precinct. The lack of pedestrian activity and relative isolation and desolate feeling on the

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project site, particularly on Pacific Street south of the rail yard, creates an environment that is conducive to activities such as automobile theft and drug sales.

The Atlantic Center and Atlantic Terminal shopping centers are located immediately north of the project site, also within the boundaries of Sector 88E. In an effort to determine whether a large proportion of crimes reported for Sector 88E might have occurred on the Atlantic Center/Atlantic Terminal premises rather than on the project site, crime data were obtained from the security staff at the shopping centers. Based on this data, which reflects incidents occurring within the Atlantic Center and Atlantic Terminal shopping and parking areas as well as on the surrounding sidewalks, it is unlikely that a large proportion of crimes in sector 88E occurred on the Atlantic Center or Atlantic Terminal premises. For example, while there were 39 robberies in sector 88E in 2005, the shopping center security records indicate that no robberies occurred that year at Atlantic Center or Atlantic Terminal. Similarly, while there were 115 grand larceny crimes reported for sector 88E in 2005, the shopping center security force recorded only one incident of larceny that same year. Although crimes catalogued by the Atlantic Center and Atlantic Terminal security staff are not necessarily the same as those catalogued by the NYPD, the relatively low number of crimes reported at the shopping centers indicates that the high crime rate in sector 88E is more likely a result of crimes occurring on the project site than in Atlantic Center or Atlantic Terminal.

**E. BENEFITS OF THE PROPOSED PROJECT**

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ESDC’s principal goal for the proposed project is to remove the blighted conditions that currently characterize the project site and to transform the project site into a vibrant, mixed-use community. As described in further detail below, the proposed project would construct a platform over the active but sub-optimal approximately 9-acre Vanderbilt Yard, which currently creates a substantial gap in the neighborhood fabric and has a blighting influence on adjacent blocks south of the yard. Covering the rail yard and redeveloping the deteriorating blocks immediately south and west of the yard would introduce a variety of new economic activities to the project site, eliminating the current blighted conditions such as high vacancy rates, underutilization, unsafe and unsanitary conditions, and high crime rates.

The project site sits at a major cross road, adjacent to a key transportation hub (Atlantic Terminal), close to Downtown Brooklyn, at the intersection of two of the borough’s busiest traffic corridors (Atlantic and Flatbush Avenues), and at the junction of several thriving neighborhoods. Considering its prime location, the project site is vastly underutilized from both a physical and economic perspective. As described earlier, the project site is generally characterized by partially or wholly vacant buildings, vacant lots, and lots that are built to only a fraction of the allowable FAR under current zoning regulations. Prior to any property acquisition efforts on the part of the project sponsors, the non-rail yard portion of the project site (comprised of 70 parcels) hosted only 29 business and institutional uses, including: 26 businesses involved in a variety of low-intensity commercial and light industrial activities (e.g., auto-repair and truck rental, warehousing and distribution, and small-scale retail); an FDNY special operations facility; a facility that provides temporary housing for homeless families; and a union hall. Together, the 29 businesses and institutions provided approximately 300 jobs. Residential development on the site is also sparse. There are only 171 housing units located on the 22-acre project site. This translates to an average of 13 housing units per acre, compared to approximately 52 units per acre in the ½-mile area surrounding the project site, and an average of approximately 24 housing units per acre in all of Brooklyn.<sup>1</sup>

The proposed project would substantially revitalize the area as intended by the Tenth Amended Urban Renewal Plan that applies to approximately 63 percent of the project site. The project would transform what is currently an underutilized and blighted area into a dynamic streetscape that would provide significant public amenities for the entire borough, including a first-class arena that would bring a major-league sports team back to Brooklyn. The approximately 8.65 million-gsf mixed-use development would include affordable and market-rate housing, commercial office space, at least 7 acres of publicly accessible open space, local retail and community facility space at street level, and possibly a new hotel. To account for flexibility in the program, allowing the project to meet potential future greater demand for residential or office space in Downtown Brooklyn, the proposed project would allow for a range of residential and commercial uses. The programs associated with these two variations (residential mixed-use variation and commercial mixed-use variation) are outlined below in Table 1.

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<sup>1</sup> Figures for ½-mile area and Brooklyn are based on housing count and acreage obtained from the Real Property Assessment Data (RPAD) from the New York City Department of Finance.

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TABLE E-1: PROPOSED DEVELOPMENT PROGRAM FOR ATLANTIC YARDS ARENA AND DEVELOPMENT PROJECT: RESIDENTIAL AND COMMERCIAL MIXED-USE VARIATIONS

Proposed Uses	Residential Mixed-Use Variation	Commercial Mixed-Use Variation
Residential	6,790,000 gsf (6,860 units)	5,730,000 gsf (5,790 units)
Hotel (180 Rooms)	165,000 gsf	0 gsf
Retail <sup>(1)</sup>	247,000 gsf	247,000 gsf
Commercial	606,000 gsf	1,829,000 gsf
Arena	850,000 gsf	850,000 gsf
Parking (spaces)	3,800 spaces	3,800 spaces
Private Open Space	< 1 acre	< 1 acre
Publicly Accessible Open Space	7+ acres	7 + acres
Note:		
(1) A portion of the retail space is anticipated to house community facilities.		

As indicated above, the proposed project would be beneficial to the city, borough, and neighborhoods surrounding the project site in a multitude of ways. Some of the project's key public benefits and purposes are outlined below. In sum, the project would:

1. *Help the city and borough meet the growing demand for new housing, particularly affordable housing.*

The demand for new residential space in New York City is strong. According to the latest forecasts from the New York Metropolitan Transportation Council (NYMTC), the agency responsible for coordinating such forecasts throughout the region, New York City will add approximately 465,000 residents and 170,000 households between 2005 and 2015. The forecasts for Brooklyn are also formidable: from 2005 to 2015, Brooklyn is predicted to add 90,000 residents and 40,000 households. These projected increases translate into a clear need for residential space to accommodate growth.

The City has recognized the high demand for new housing and the challenges associated with escalating housing prices, and has responded to these demands and challenges with its *Housing Marketplace Plan: Creating Housing for the Next Generation*. Initiated in 2002 with a five-year goal of producing 65,000 units, the program has recently been expanded to a ten-year goal of 130,000 units. HPD, the agency entrusted with the program, has been working with other government agencies to find land and opportunities for the construction and preservation of affordable housing. At the same time, the City has taken steps to address the housing problem through the private sector by undertaking a number of major rezoning actions (e.g., Greenpoint Williamsburg rezoning, Park Slope rezoning, South Park Slope rezoning, Downtown Brooklyn rezoning, and Hudson Yards rezoning) to make available more floor area for residential development and, at the same time, to preserve or create affordable housing.

The proposed project would help meet the expected housing demand for Brooklyn and the city as a whole, and the density of the proposed project allows for a substantial number of affordable units to be included as part of the development program. As shown in Table 1, the project would provide between 5,790 and 6,860 new residential units, depending on which variation is built. Under either variation, 4,500 of the housing units would be rental units, and 50 percent of those rental units—2,250—would be administered under an affordable housing program. Rent for the affordable/middle-income units would be set at 30 percent of citywide AMI (average median income) and 50 percent of these units (on a square foot basis) would be two- and three-bedroom units. Ten (10) percent of the total rental units (450 units) would be reserved for senior residents. By providing a substantial number of new affordable

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and market-rate housing units, the proposed project would help the city and borough accommodate the significant amount of growth that is forecast for the upcoming decade.

- 2. Introduce new office space that would help the city and borough accommodate future commercial growth.*

The demand for new commercial space in New York City is clear. According to the latest forecasts from NYMTC, New York City will add approximately 500,000 jobs between 2005 and 2015 and 60,000 of those jobs will be in Brooklyn. These projected increases translate into a strong need for commercial space. Based on standard industry data showing the average number of employees per 1,000 square feet of various types of commercial space, Brooklyn's predicted employment growth will create the need for 15 million square feet of additional development in the borough.

The difficulty of accommodating anticipated employment growth in the city is well recognized. According to a report released in June 2001 by the Group of 35, a severe lack of commercial space poses a serious threat to New York City's long-term growth.<sup>2</sup> The report recommends implementing a commercial development strategy which includes creating three new "Central Business Districts" one of which is Downtown Brooklyn, as well as smaller business districts in all five boroughs. Considering the proposed project site's proximity to Downtown Brooklyn and to the third largest transit hub in the city, it is an ideal location for new commercial development.

- 3. Introduce a state-of-the-art arena that would generate additional jobs, visitors, and visibility for Brooklyn.*

After the Dodgers baseball team left in 1957, Brooklyn had no major league sports team. A 73-year tradition of baseball, played to an enthusiastic and loyal fan base, ended abruptly. From time to time, ideas have been proposed for making Brooklyn home to a major professional team (including the return of the Dodgers), but nothing transpired. The proposed project would provide a state-of-the-art arena that would not only accommodate the long awaited return of a major-league sports franchise to Brooklyn, but also provide a superior athletic facility for the City's colleges and local academic institutions, which currently lack adequate athletic facilities, and a new venue for a variety of musical, entertainment, and civic events. In addition, the arena would: draw visitors to the Downtown Brooklyn area, benefiting local businesses; increase the regional and national visibility of Brooklyn, benefiting the borough and city as a whole; bring new employment opportunities to the area; and generate substantial tax revenues for the city and state.

- 4. Replace a sub-optimal rail yard and storage yard for retired buses with a state-of-the-art rail storage, cleaning, repair and inspection facility for the LIRR.*

The proposed project offers an opportunity to upgrade the sub-optimal Vanderbilt Yard, an essential component of the LIRR rail system, which is utilized by an average of approximately 288,000 passengers each weekday.<sup>3</sup> Although the location of the LIRR Atlantic Terminal provides excellent commuter service to Downtown Brooklyn, its operation has been hampered by its storage and maintenance yard. Vanderbilt Yard, which has been in existence in one form or another for more than 100 years, is not optimal in its current configuration to handle the demands of modern commuter rail operations.<sup>4</sup> 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.

<sup>2</sup> The Group of 35 was a high-level panel created by United States Senator Charles E. Schumer that included chief executives and leaders in business, biotechnology, real estate, academia, labor, and government.

<sup>3</sup> Ridership information obtained from the MTA web site (<http://www.mta.nyc.ny.us/mta/network.htm>), last accessed on 06/20/06.

<sup>4</sup> 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 but 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.

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The proposed project would include improvements for LIRR's use within the Yard, including temporary and permanent storage tracks capable of storing new MU Series Trains (which are longer than the older trains in order to meet ADA-requirements while still accommodating the same number of passengers), an electric substation, and LIRR employee facilities. Modernizing the rail yard would help to ensure that the LIRR system, which plays an essential role in the New York City economy by transporting workers to and from the city, will operate efficiently into the future.

- 5. Introduce new ground-floor retail and community facility space, increasing street-level activity and providing neighborhood residents and workers access to additional goods and services.*

As shown in Table 1, both variations of the proposed project would include approximately 247,000-gsf of retail and community facility space. The retail spaces would not have footprints large enough to house "big box" retail; future retail tenants are expected to primarily serve the local population and tenants on the project site. These retail uses would be located on the ground floor, possibly extending to the second floor, in a number of the proposed buildings.

Community facility uses would occupy portions of the retail and residential space. A central community facility element would be an intergenerational community center located in the base of one of the buildings on block 1120. This intergenerational facility would consist of child care, and youth and senior centers.

- 6. Introduce new publicly accessible open space, which would facilitate connections between residential neighborhoods north and south of the project site.*

The proposed project would create approximately seven acres of publicly accessible open space on Blocks 1120, 1121, and 1129 of the project site. As currently envisioned, the open space would include playgrounds, walking paths, landscaped lawns and seating areas, and a bike path. The presence of this open space and its visibility from surrounding streets would facilitate connections between the residential neighborhoods to the north and south of the project site, and fill in the gap in the neighborhood fabric that is currently created by the below-grade, open rail yard.

- 7. Generate substantial economic and fiscal benefits for the city and state during both project construction and annual operation.*

Construction and operation of the proposed project would generate substantial economic benefits for New York City and State. These benefits are described below, grouped into construction period benefits and operation period benefits.

### **Economic and Fiscal Benefits from Construction of the Proposed Project**

The total construction cost for either variation, including site preparation and hard costs (actual construction) and design, legal, and related costs, is estimated at approximately \$3.6 billion in 2006 dollars. As a result of these direct expenditures, the proposed project would generate between 17,450 and 17,860 person-years of direct employment, i.e., on-site construction-related jobs (see Table 2). A person-year is the equivalent of one person working full-time for one year, so construction of the project would generate on average between 1,745 and 1,786 full-time equivalent (FTE) construction jobs per year over the course of the 10-year construction period.<sup>5</sup>

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5 The principal model used to estimate the effects of the proposed project on the city and state economies is the Regional Input-Output Modeling System (RIMS II), developed by the U.S. Department of Commerce, Bureau of Economic Analysis. The model contains data for New York City on 490 economic sectors, showing how each sector affects every other sector as a result of a change in the quantity of its product or service. A similar RIMS II model for New York State, also developed by the U.S. Department of Commerce, has been used to trace the effects on the State economy. The models were adjusted to reflect the most recent changes in the New York metropolitan area price level.

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Jobs generated by the construction of the proposed project would not be limited to direct (on-site construction-related) jobs. Contractors would purchase goods and services from other businesses, and that spending would support additional jobs in New York City and State (indirect jobs). In addition, direct and indirect jobs would generate more worker income by increasing employment and/or salaries in certain industries. Households would spend some of this additional income on local goods and services such as food and drink, recreation, and medical services, and this spending would also support jobs in New York City and State (induced jobs). In total, construction of the proposed project is expected to generate between 32,960 and 33,710 person-years of employment in New York State over the course of the 10-year construction period. Of that, between 26,590 and 27,160 person-years of employment would be in New York City.

As shown in Table 2, direct wages and salaries during the construction period (i.e., wages and salaries paid to the on-site construction workers) are estimated at about \$1.1 billion under either variation. Total direct, indirect, and induced wages and salaries in New York City and New York State are estimated at between \$1.64 and \$1.66 billion and between \$1.99 and \$2.02, respectively.

TABLE E-2: TOTAL ECONOMIC AND FISCAL BENEFITS FROM CONSTRUCTION OF THE PROPOSED PROJECT

	Residential Mixed-Use Variation		Commercial Mixed-Use Variation	
	Portion in New York City	Total New York City and State	Portion in New York City	Total New York City and State
<b>Total Employment (Person Years)<sup>(1)</sup></b>				
Direct (Construction)	17,861	17,861	17,449	17,449
Indirect (Secondary and Induced)	9,300	15,849	9,138	15,511
Total	27,161	33,710	26,587	32,960
<b>Total Wages and Salaries (Millions of 2006 dollars)</b>				
Direct (Construction)	\$1,126.77	\$1,126.77	\$1,108.97	\$1,108.97
Indirect (Secondary and Induced)	\$532.68	\$887.89	\$527.74	\$875.16
Total	\$1,659.45	\$2,024.66	\$1,636.71	\$1,994.13
<b>Total Tax Revenues, Exclusive of Real Estate<sup>(2)</sup> (Constant 2006 dollars)</b>				
New York City Taxes		\$82,578,800		\$81,418,200
MTA Taxes		\$5,528,100		\$5,449,600
New York State Taxes		\$167,757,100		\$165,435,500
Total		\$255,864,000		\$252,303,300
Notes:				
(1) A person-year is the equivalent of one person working full-time for a year.				
(2) Includes personal income taxes, corporate and business taxes, sales tax on indirect activities, and numerous other taxes on construction and secondary expenditures.				
Sources: The characteristics and construction cost of the proposed development; the Regional Input-Output Modeling System (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; the U.S. Census Bureau, 2002 <i>Economic Census, Construction, New York</i> , issued August 2005; and the tax rates by applicable jurisdiction.				

The construction activity would have associated with it substantial tax revenues for New York City, the MTA, and New York State. As shown in Table 2, total taxes paid during construction are estimated at between \$252.3 and \$255.9 million, depending on the program variation. This includes between \$81.4 million and \$82.6 million for New York City, between \$165.4 million and \$167.8 million for New York State, and between \$5.4 million and \$5.5 million for the MTA. Of these tax revenues, the largest portion would come from personal income taxes, corporate and business taxes, sales tax on indirect activities, and related taxes on direct and generated economic activity.

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The above tax figures include only the tax revenues associated with the construction activity and do not include any revenue from the mortgage recording fee from the condominium units. Assuming typical price per square foot for the condominium units, and an average of 70 percent financed, the additional mortgage recording fee associated with the residential mixed-use variation would equal approximately \$23.03 million, including approximately \$19.66 million for New York City and approximately \$3.37 million for MTA. The additional mortgage recording fee associated with the commercial mixed-use variation would equal approximately \$12.59 million, including approximately \$10.75 million for New York City and approximately \$1.84 million for MTA.

### **Economic and Fiscal Benefits from Operation of the Proposed Project**

Once constructed, the annual operation of the completed project would support between 4,700 and 9,490 direct (on-site) jobs, including jobs at the arena, jobs in the new office, retail, and hotel space, and jobs associated with the new residential buildings and parking areas (e.g. security, maintenance jobs). This on-site economic activity would support jobs at businesses providing goods and services to the arena, office and retail space occupants, and residential buildings (indirect jobs) and jobs generated as a result of workers spending their incomes on goods and services such as food and drink, recreation, and medical services (induced jobs). Including direct, indirect, and induced employment, the proposed project would support between 10,190 and 22,080 FTE jobs in New York State, depending on the program variation considered (see Table 3). Of those, between 8,430 and 18,180 jobs would be located in New York City. As shown in Table 3, total wages and salaries associated with these jobs are projected at between \$454 and \$960 million annually in New York City and between \$519 million to \$1.09 billion annually in New York State. As with any project such as this, not all of the employment would necessarily be new to New York City. However, the employment figures presented in Table 3 represent jobs that would either be new to the city or that might have gone outside the city if the project were not developed.

The annual operation of the proposed project would generate substantial tax revenues for New York City, MTA, and New York State. In total, the operation of the proposed project is estimated to generate between \$85.6 and \$153.7 million annually in non-property related tax revenues for the city, the MTA, and the state. Of these tax revenues, the largest portion would come from personal income taxes, sales tax, corporate and business taxes, hotel occupancy tax, parking tax, and similar taxes on the direct and generated economic activity from the completed development. Approximately 35 percent of the total tax revenues would go to New York City, roughly 3 percent would go to the MTA, and the remainder would go to New York State. As with any project such as this, not all of the non-property tax revenues would necessarily be new to New York City. However, the tax figures presented in Table 3 represent revenues that would either be new to the city or that might have gone outside the city if the project were not developed. In addition, the City would receive annual property tax revenues. All of the incremental property taxes from the new development would be new to New York City.

## Atlantic Yards Arena and Redevelopment Project—Blight Study

TABLE E-3: ANNUAL ECONOMIC AND FISCAL BENEFITS FROM OPERATION OF THE COMPLETED PROPOSED PROJECT

	Residential Mixed-Use Variation		Commercial Mixed-Use Variation	
	Portion in New York City	Total New York City and State	Portion in New York City	Total New York City and State
Permanent Employment (Full-Time Equivalent Jobs)				
Direct (On-Site)	4,700	4,700	9,490	9,490
Indirect (Secondary and Induced)	3,729	5,487	8,688	12,589
Total	8,429	10,187	18,178	22,079
Annual Wages and Salaries (Millions of 2006 dollars)				
Direct (On-Site)	\$296.60	\$296.60	\$615.38	\$615.38
Indirect (Secondary and Induced)	\$156.88	\$222.29	\$343.18	\$479.10
Total	\$453.48	\$518.89	\$958.56	\$1,094.48
Annual Tax Revenues, Exclusive of Real Estate <sup>(1)</sup> (Constant 2006 dollars)				
New York City Taxes		\$31,962,300		\$54,529,000
MTA Taxes		\$2,300,400		\$3,648,900
New York State Taxes		\$51,307,700		\$95,472,200
Total		\$85,570,400		\$153,650,100
Notes: The above figures on wages and salaries and economic effect do not include the effect from the household income of the residents in the residential portion of the project, which would be additional.				
(1) Includes personal income taxes, corporate and business taxes, sales tax, hotel occupancy tax, parking tax, and numerous other taxes on direct and secondary expenditures. Income tax receipts do not include income tax paid by residents at the proposed project or income tax from secondary employment generated by such residents.				
Sources: The characteristics and construction cost of the proposed development; the Regional Input-Output Modeling System (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; the U.S. Census Bureau, 2002 <i>Economic Census, Construction, New York</i> , issued August 2005; and the tax rates by applicable jurisdiction.				

**F. PROPERTY OWNERSHIP**

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The proposed project site is composed of 73 parcels, or 123 individual tax lots including the 52 condominium units located in two buildings on the proposed project site. Prior to 2003 and the announcement of the proposed project, there were 102 tax lots on the proposed project site (the 31-unit condo building on Block 1127, lot 27 had not yet been divided into individual tax lots), five of which were owned by MTA/LIRR or New York City. In total, in 2003 the proposed project site was controlled by 76 different parties, including 21 parties in the condominium building on Block 1127, lot 35.

Since 2003, AYDC has been attempting to assemble the entire site for redevelopment. As of May 1, 2006, AYDC had gained whole or partial control over 97 tax lots, including 51 of the 52 condominium units on the site. (AYDC had closed on 84 lots, and was under contract for another 11 lots).<sup>1</sup> Table F-1 lists the owners of each tax lot in 2003 and 2006. The table is color coded to illustrate the property assemblage that has taken place since 2003.

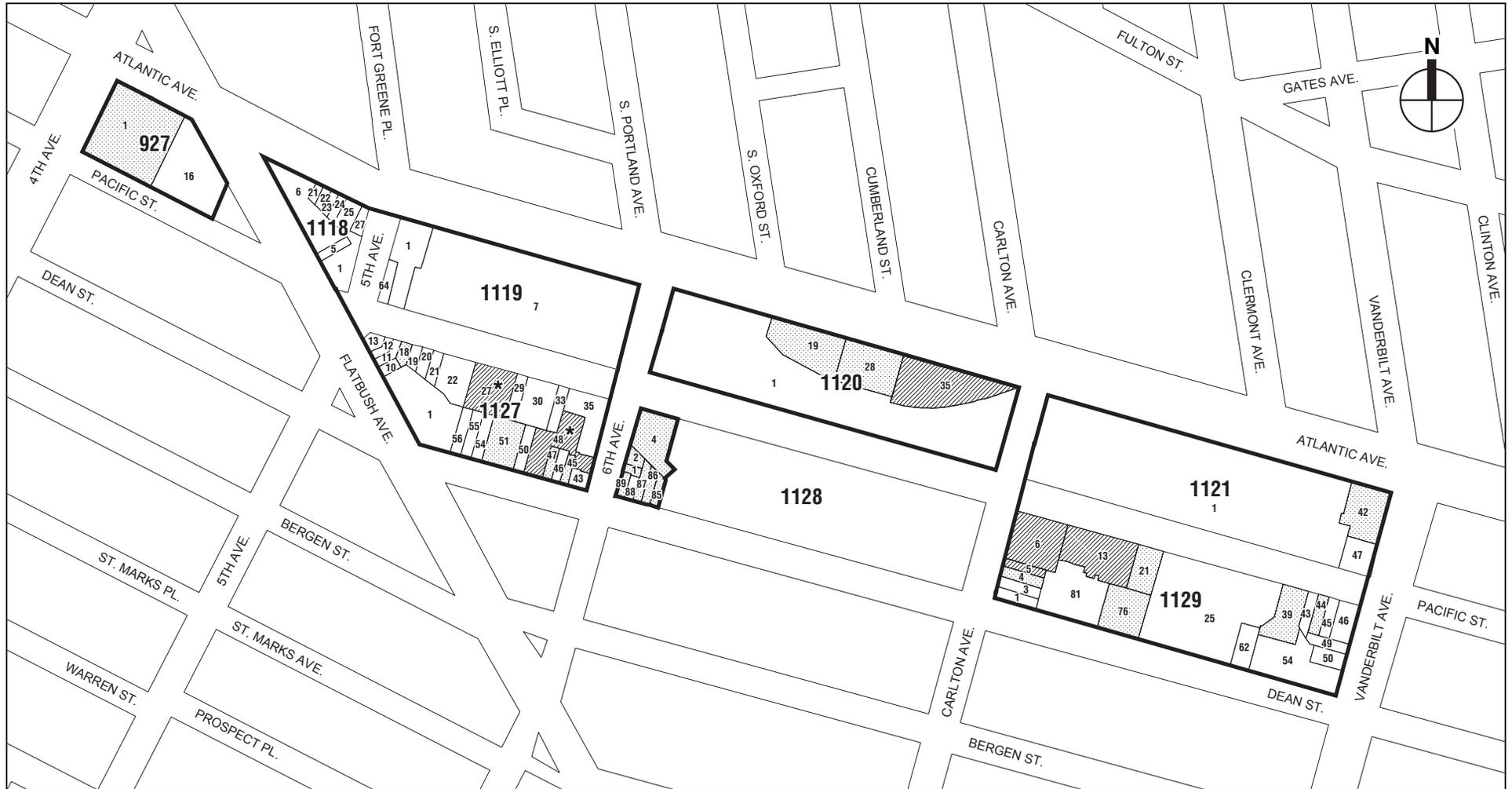
As shown in Figure 10, as of May 1, 2006, 22 tax lots (including the single condo unit) remained wholly under the ownership of parties other than AYDC, MTA/LIRR, or the City. Five tax lots were under partial control of other parties.<sup>2</sup>

The condition of multiple site ownership has hindered site assemblage and impeded the sound growth and development of the overall project site. As noted above, the proposed project site contains a multitude of properties where conditions are substandard or insanitary. The diverse ownership of these properties has impeded correction of these substandard conditions for many years, leading to substantially lower sales prices and rents for most properties, and thus lower revenue generating potential for the City.

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1 Includes Block 1120, lot 35 and Block 1129, lots 5, 6, and 13. AYDC has purchased the lease rights to Block 1120, lot 35. For Block 1129, lots 5, 6, and 13, AYDC entered into an option to take by assignment the tenant's interest in the ground lease for the properties subject to the fee owner's consent to such assignment, which cannot be unreasonably withheld. The closing of that assignment occurred in March 2006, but the fee owner has disputed the validity of the assignment.

2 Includes Block 1127, lot 48, which has an outparcel that remains owned by a non-AYDC private entity.



Project Site

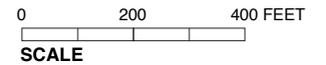
**Ownership**

Parcels Controlled by AYDC, MTA/LIRR, or City

Parcels Not Controlled by AYDC, MTA/LIRR, or City

Parcels Partially Controlled by AYDC

\* Property Controlled by AYDC Except Block 1127,  
Lot 27 (1 unit out of 31) and Lot 48 (3 units out of 24)



**NOTE:** Graphic depicts ownership status as of May 1, 2006

## Atlantic Yards Arena and Redevelopment Project—Blight Study

**TABLE F-1: PROPERTY OWNERSHIP: MAY 2003 AND MAY 1, 2006**

Block	Lot	Address	2003 Owner	2006 Owner
927	1	15 4th Avenue	AJ Richard Sons Inc	AJ Richard Sons Inc
	16	617 Pacific Street	FC Acquisition Assoc	AYDC
1118	1	181 Flatbush Avenue	Elizabeth Tang Revoca	AYDC
	5	177 Flatbush Avenue	Nina Giddings	AYDC
	6	175 Flatbush Avenue	Housing Preservation	New York City
	21	608 Atlantic Avenue	FAB Realty LLC	AYDC
	22	610 Atlantic Avenue	FAB Realty LLC	AYDC
	23	612 Atlantic Avenue	FAB Realty LLC	AYDC
	24	614 Atlantic Avenue	FAB Realty LLC	AYDC
	25	616 Atlantic Avenue	FAB Realty LLC	AYDC
1119	27	620 Atlantic Avenue	FAB Realty LLC	AYDC
	1	622 Atlantic Avenue	M&V Rentals	AYDC Contract
	7	630 Atlantic Avenue	MTA/LIRR	MTA/LIRR
1120	64	5th Avenue	U Haul of Metro NY	AYDC Contract
	1	676 Atlantic Avenue	MTA/LIRR	MTA/LIRR
	19	700 Atlantic Avenue	714 Atlantic Corp	714 Atlantic Corp
	28	728 Atlantic Avenue	Warburg Storgemart	WSMP-MW-EAST, LP
1121	35	Atlantic Avenue	730 Equity Corp	AYDC/730 Equity Corp <sup>(1)</sup>
	1	Carlton Avenue	MTA/LIRR	MTA/LIRR
1121	42	516 Vanderbilt Avenue	David Oil Corporation	Heron Real Estate Company
	47	524 Vanderbilt Avenue	524 NSM LLC	AYDC Contract
1127	1	195 Flatbush Avenue	Mobil Oil Corp	AYDC
	10	193 Flatbush Avenue	185,189,193 Flatbush	AYDC
	11	191 Flatbush Avenue	Danilo Deangelis	AYDC
	12	189 Flatbush Avenue	185,189,193 Flatbush	AYDC
	13	185 Flatbush Avenue	185,189,193 Flatbush	AYDC
	18	618 Pacific Street	Secretary of Housing	U.S. Dept of Housing and Urban Development (HUD)
	19	620 Pacific Street	T Jaw Realty Corp	AYDC
	20	622 Pacific Street	T Jaw Realty Corp	AYDC
	21	624 Pacific Street	624 Pacific Street LLC	AYDC
	22	626 Pacific Street	Schiavone Construction	AYDC
	27 <sup>(2)</sup>			
	1101	636 Pacific Street	Freud Pacific Street	AYDC
	1102	636 Pacific Street	Freud Pacific Street	AYDC
	1103	636 Pacific Street	Freud Pacific Street	AYDC
	1104	636 Pacific Street	Freud Pacific Street	AYDC
	1105	636 Pacific Street	Freud Pacific Street	AYDC
	1106	636 Pacific Street	Freud Pacific Street	AYDC
	1107	636 Pacific Street	Freud Pacific Street	AYDC
	1108	636 Pacific Street	Freud Pacific Street	AYDC
	1109	636 Pacific Street	Freud Pacific Street	AYDC
	1110	636 Pacific Street	Freud Pacific Street	AYDC
	1111	636 Pacific Street	Freud Pacific Street	AYDC
1112	636 Pacific Street	Freud Pacific Street	AYDC	
1113	636 Pacific Street	Freud Pacific Street	AYDC	
1114	636 Pacific Street	Freud Pacific Street	AYDC	
1115	636 Pacific Street	Freud Pacific Street	AYDC	
1116	636 Pacific Street	Freud Pacific Street	AYDC	
1117	636 Pacific Street	Freud Pacific Street	AYDC	
1118	636 Pacific Street	Freud Pacific Street	AYDC	
1119	636 Pacific Street	Freud Pacific Street	AYDC	
1120	636 Pacific Street	Freud Pacific Street	AYDC	
1121	636 Pacific Street	Freud Pacific Street	AYDC	
1122	636 Pacific Street	Freud Pacific Street	AYDC	
1123	636 Pacific Street	Freud Pacific Street	AYDC	
1124	636 Pacific Street	Freud Pacific Street	AYDC	
1125	636 Pacific Street	Freud Pacific Street	AYDC	
1126	636 Pacific Street	Freud Pacific Street	AYDC	
1127	636 Pacific Street	Freud Pacific Street	AYDC	
1128	636 Pacific Street	Freud Pacific Street	Daniel Goldstein	
1129	636 Pacific Street	Freud Pacific Street	AYDC	
1130	636 Pacific Street	Freud Pacific Street	AYDC	
1131	636 Pacific Street	Freud Pacific Street	AYDC	
29	640 Pacific Street	Eastpark Holding Corp	AYDC	
30	644 Pacific Street	Kalap Realty Corp	AYDC	
33	648 Pacific Street	Fire Department	New York City	

# Atlantic Yards Arena and Redevelopment Project—Blight Study

TABLE F-1: PROPERTY OWNERSHIP: MAY 2003 AND MAY 1, 2006

Block	Lot	Address	2003 Owner	2006 Owner
1127	35 <sup>(2)</sup>			
	1001	24 6th Avenue	Yoshiumi Associates	AYDC
	1002	24 6th Avenue	Darryl K. Brown	AYDC
	1003	24 6th Avenue	Anthony Giffillan Con	AYDC
	1004	24 6th Avenue	Tanja Katinka Bobadil	AYDC
	1005	24 6th Avenue	Luis E. Martinez	AYDC
	1006	24 6th Avenue	Niall Maher	AYDC
	1007	24 6th Avenue	Stuart Plesser	AYDC
	1008	24 6th Avenue	David Brooks	AYDC
	1009	24 6th Avenue	Marc Wancer	AYDC
	1010	24 6th Avenue	Lisa Lam	AYDC
	1011	24 6th Avenue	John Palladino	AYDC
	1012	24 6th Avenue	Sheri G. Lee	AYDC
	1013	24 6th Avenue	James V. Martin	AYDC
	1014	24 6th Avenue	Sandra Maletic	AYDC
	1015	24 6th Avenue	Rochelle Camhi	AYDC
	1016	24 6th Avenue	Tamara C. Mewis	AYDC
	1017	24 6th Avenue	Vince Bruns	AYDC Contract
	1018	24 6th Avenue	Jefferey Mermelstein & Lisa Bender	AYDC Contract
	1019	24 6th Avenue	Adam Plack	AYDC
	1020	24 6th Avenue	Kristin M. Axtman	AYDC
1021	24 6th Avenue	Carolynn Schwartz	AYDC	
1128	43	483 Dean Street	Fred W Chadderton	AYDC
	45	481 Dean Street	Nasser Ahmed	Nasser Ahmed
	46	479 Dean Street	Paul E. Hamilton	AYDC Contract
	47	Dean Street	Bergen Tile Paint & Linoleum	Bergen Tile Paint & Linoleum
	48	475 Dean Street	Peter Williams Enterprise	AYDC/Peter Williams Enterprise <sup>(3)</sup>
	50	473 Dean Street	Marina V. de Franza	AYDC
	51	467 Dean Street	Waterproof Workers Realty	Waterproof Workers Realty
	54	465 Dean Street	Miriam Pope	AYDC
	55	463 Dean Street	UV Bldg Assoc	AYDC
1129	1	6th Avenue	Dean Pacific Corp	Dean Pacific Corp
	2	6th Avenue	Dean Pacific Corp	Dean Pacific Corp
	4	25 6th Avenue	Rockwell Property Mgmt	Rockwell Property Mgmt
	85	495 Dean Street	L MC Gee	Stewart Oliver
	86	493 Dean Street	Oliver Sinclair Stewart	Stewart Oliver Sinclair
	87	491 Dean Street	Hadar Management Corp	Jurist Razvan
	88	489 Dean Street	Freyre, Orlando/CO-TR	AYDC
	89	487 Dean Street	Dean and Pacific Corp	Mott and Chloe
	1	551 Carlton Avenue	Vanderbilt Prod Sub C	AYDC
3	549 Carlton Avenue	Vanderbilt Prod Sub C	AYDC	
4	547 Carlton Avenue	Vanderbilt Prod Sub C	535 Carlton Avenue Realty Corp	
5	545 Carlton Avenue	Union President Realty	AYDC Contract/535 Carleton Avenue Realty Corp <sup>(4)</sup>	
6	543 Carlton Avenue	535 Carleton Ave Realty Corp	AYDC Contract/535 Carleton Avenue Realty Corp <sup>(4)</sup>	
13	750 Pacific Street	Pacific Carleton Devel. Corp	AYDC Contract/Pacific Carleton Avenue Devel. Corp <sup>(5)</sup>	
21	768 Pacific Street	Pacific Dean Realty	Pacific Dean Realty	
25	800 Pacific Street	Time Record Storage	AYDC	
39	802 Pacific Street	Stephen J. Filed	PJK Realty Corp	
43	810 Pacific Street	Lina Fang	AYDC	
44	812 Pacific Street	Hong Ning Realty Inc.	Hong Ning Realty Inc.	
45	814 Pacific Street	Ges Realty	AYDC	
46	818 Pacific Street	Jean Anderson	AYDC	
49	540 Vanderbilt Avenue	Lek Loong Fang	AYDC	
50	542 Vanderbilt Avenue	AASL Associates, LLC	AYDC Contract	
54	546 Vanderbilt	Time Record Storage	AYDC	
62	645 Dean Street	Goldberg Liu Realty, Inc.	AYDC Contract	
76	603 Dean Street	Pacific Dean Realty	G.B.S. Associates	
81	585 Dean Street	James Robbins	AYDC	

**Notes:**

- (1) Lot 35 on Block 1120 is owned by 730 Equity Corporation; AYDC assumed the ground lease for the property in Fall 2005.
- (2) Lots 1101–1131 on Block 1127 were referred to as lot 27 prior to the building's division into condominium units. Lots 1001–1021 on Block 1127 were referred to as lot 35 prior to the building's division into condominium units.
- (3) All of the units in the six story cooperative building on Block 1127, Lot 48 are owned by AYDC. The single story building on the lot is owned by Peter Williams Enterprises.
- (4) Lots 5 and 6 on Block 1129 are owned by 535 Carlton Avenue Realty Corporation and leased by Pacific Street Park Corporation. AYDC entered into an option to take by assignment the tenant's interest in the ground lease for the lots, subject to the fee owner's consent to such assignment, which consent cannot be unreasonably withheld. The closing of that assignment occurred in March 2006, but the fee owner has disputed the validity of the assignment.
- (5) Lot 13 on Block 1129 is owned by Pacific Carlton Development Corporation and leased by 752 Pacific, LLC; AYDC entered into an option to take by assignment the tenant's interest in the ground lease for the property, subject to the fee owner's consent to assignment, which consent cannot be unreasonably withheld. The closing of that assignment occurred in March 2006, but the fee owner has disputed the validity of the assignment.

**Sources:** Real Property Assessment Data (RPAD) from the New York City Department of Finance; AYDC