

Honorable David A. Paterson
Governor of New York State
The Executive Chamber, State Capitol
Albany, NY 12224

February 19, 2009

Dear Governor David Paterson:

We write to you regarding our deep concern about efforts developer Forest City Ratner is reportedly making to lobby state officials for a share of New York's federal stimulus funds to be used for the proposed Atlantic Yards development.

The intent of the American Recovery and Reinvestment Act, also known as the "stimulus bill," is to generate jobs and kick-start the economy, not to bail out projects which have been found to deaden economic growth, such as sports arenas. **New York's share of the federal recovery package should not be used for the Atlantic Yards arena and overall Atlantic Yards proposal.**

Governor, the people need significant funds from the federal stimulus program for important infrastructure and housing needs that are real and readily achievable. There are far greater priorities than the Atlantic Yards project, across Brooklyn, across the city and across the state. Atlantic Yards is simply too highly leveraged to return the public's investment even with an infusion of federal stimulus funds.

An arena on land obtained through the questionable use of eminent domain violates both sound planning processes and sound community economic development. The process by which the development proposal has proceeded violates provisions of the bill that require a transparent and competitive public bidding process that meets federal standards.

The project, including the arena, is not "shovel-ready" by any stretch of the imagination or in the terms described in the stimulus bill, as Forest City Ratner doesn't own the land it needs to construct it and, according to the developer, it is undergoing an extensive redesign with an unknown final plan, an unknown price tag, and unknown benefits for the public. The proposed affordable housing is nowhere in sight. Construction is highly unlikely to start in 2009.

The development proposal already has the financial benefit of city, state and federal subsidies in the form of direct cash payments, below-market land, free land, housing subsidies, tax breaks and tax exemptions, estimated by most close observers to be worth anywhere between \$1.5 and \$2 billion. A new federal subsidy through stimulus funds would be on top of the developer's expected federal tax-exempt arena bond estimated to be a subsidy worth about \$165 million. Yet, the proposed arena has been shown by the City's Independent Budget Office to be a loss for the city and *at best* a slight gain for the state. It doesn't deserve or need further taxpayer-backed financial support.

Nearly all economists agree that arenas are not economic generators or cost-effective job creators. Forest City Ratner has never even publicly estimated the number of new jobs the arena would create because it would be woefully few, especially in relation to the public cost of the arena. And the opportunity costs are dramatic.

Job creation and affordable housing at the rail yards are being held hostage by the developer's and ESDC's prioritization of the arena over all else. The insistence on building the Barclays Center Arena, currently priced at an astounding \$1 billion, is the chief impediment to meeting these critical needs on the MTA yards.

Furthermore, this developer received the development rights to the MTA's 8-acre Vanderbilt Rail Yard site, despite a bid less than half the appraised value, because it had committed to building a new, "state-of-the-art" rail yard. The sole purpose of the new rail yard is to facilitate the construction of the arena, rather than any transit need expressed by the MTA in 2005 when they approved their sale to Forest City or in the MTA's 20-year projected needs assessment. This project is *not* an MTA priority. There are many other transit projects that are much more important priorities.

Granting a share of the stimulus funds to relieve the private developer of its commitments to the MTA and the public would be grossly inappropriate and would undermine the bill's intent.

For these reasons we urge you to deny any request for federal stimulus funds for the proposed arena, infrastructure to facilitate the arena and for the Atlantic Yards development proposal.

Sincerely,

Good Jobs New York
Majora Carter Group, LLC
NYPIRG Straphangers
Sierra Club

Central Brooklyn Independent Democrats
Lambda Independent Democrats (LID)
Bowery Alliance of Neighbors
Four Borough Neighborhood Preservation Alliance
The New York Community Council
The Open Planning Project

Reverend Dennis Dillon
Brooklyn Christian Center, Chief Executive Minister
The Christian Times, Publisher
The Black Church Means Business Conference, Executive Chair

Reverend Dr. Daniel Meeter
Pastor of Old First Reformed Church

Reverend Clinton Miller
Pastor of Brown Memorial Baptist Church

Council of Brooklyn Neighborhoods (42 Member Coalition)

Atlantic Avenue Betterment Association
The Brooklyn Bear's Gardens, Inc
Bergen Street-Prospect Heights Block Association
Brooklyn Vision Foundation, Inc.
Carlton Avenue Association
Carroll Gardens Neighborhood Association
Carroll Street Block Association Between 5th & 6th Aves.
Coalition for Respectful Development
Committee For Environmentally Sound Development
Concerned Citizens of Greenwood Heights
Crown Heights North Association, Inc.
Dean Street Block Association Between 4th and 5th Aves.
Dean Street Block Association, 6th Ave. to Vanderbilt
DUMBO Neighborhood Association

Develop Don't Destroy Brooklyn (21 Member Coalition)

East Pacific Block Association
Fort Greene Association
Fort Greene Park Conservancy
Friends of Bond (Street)
Friends and Residents of Greater Gowanus
Gowanus Canal Community Development Corporation
Park Slope Civic Council
Park Slope Neighbors
Prospect Heights Action Coalition
Prospect Heights Neighborhood Development Council, Inc.
Prospect Place (of Brooklyn) Block Assoc., Inc. (Flatbush to Underhill)
Society for Clinton Hill
South Oxford Street Block Association
South Portland Avenue Block Association, Inc.

cc: President Obama

White House Director of Urban Affairs Adolfo Carrión Jr.
Deputy Secretary for Economic Development and Infrastructure Tim Gilchrist
Empire State Development Corporation Chairwoman Marisa Lago
MTA CEO Lee Sander
Senator Charles Schumer
Senator Kirsten Gillibrand
New York State Congressional Delegation
Congressman Dennis Kucinich
Mayor Michael Bloomberg
New York State Comptroller Thomas DiNapoli
New York City Comptroller Bill Thompson
New York State Assembly Members
New York State Senators
New York City Council Members