SLAM DUNK OR AIRBALL?
A PRELIMINARY PLANNING ANALYSIS OF THE BROOKLYN ATLANTIC YARDS PROJECT

PRATT INSTITUTE CENTER FOR COMMUNITY AND ENVIRONMENTAL DEVELOPMENT
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BROOKLYN, NY 11205

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NOTE: This report was prepared by the Pratt Institute Center for Community and Environmental Development. It does not necessarily reflect the official position of Pratt Institute.

Images and maps of the FCRC proposal have been taken from the developer’s website at www.bball.net
<table>
<thead>
<tr>
<th>Table of Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
</tr>
<tr>
<td>Introduction</td>
</tr>
<tr>
<td>1 - Purpose of the report</td>
</tr>
<tr>
<td>2 - Scope of the report</td>
</tr>
<tr>
<td>Project Description</td>
</tr>
<tr>
<td>1 - Land use and physical description</td>
</tr>
<tr>
<td>2 - Community Benefits Agreement (CBA)</td>
</tr>
<tr>
<td>Project Context</td>
</tr>
<tr>
<td>1 - Existing site zoning</td>
</tr>
<tr>
<td>2 - Neighborhood context</td>
</tr>
<tr>
<td>3 - Demographic and socio-economic characteristics</td>
</tr>
<tr>
<td>4 - Housing stock and household characteristics</td>
</tr>
<tr>
<td>Project Impacts</td>
</tr>
<tr>
<td>1 - Population change attributable to BAY residential development</td>
</tr>
<tr>
<td>2 - Displacement and demographic shifts due to project</td>
</tr>
<tr>
<td>3 - Neighborhood services impact</td>
</tr>
<tr>
<td>4 - Impact on retail and small businesses</td>
</tr>
<tr>
<td>5 - Project transportation impacts</td>
</tr>
<tr>
<td>6 - Project urban design impacts</td>
</tr>
<tr>
<td>7 - Job creation and quality</td>
</tr>
<tr>
<td>8 - Fiscal impacts</td>
</tr>
<tr>
<td>Public Review and Approval Process</td>
</tr>
<tr>
<td>Alternate Plans and Community Benefit Efforts</td>
</tr>
<tr>
<td>1 - Alternative plans</td>
</tr>
<tr>
<td>2 - Alternative CBA</td>
</tr>
<tr>
<td>Conclusion</td>
</tr>
<tr>
<td>Endnotes</td>
</tr>
<tr>
<td>Appendices</td>
</tr>
</tbody>
</table>
# List of Maps and Tables

## Maps

<table>
<thead>
<tr>
<th>Map</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map 1</td>
<td>Project Context</td>
<td>9</td>
</tr>
<tr>
<td>Map 2</td>
<td>Existing and Proposed Site Plan</td>
<td>11</td>
</tr>
<tr>
<td>Map 3</td>
<td>Existing Land Use</td>
<td>18</td>
</tr>
<tr>
<td>Map 4</td>
<td>Schools and Childcare</td>
<td>29</td>
</tr>
<tr>
<td>Map 5</td>
<td>Police and Fire Services</td>
<td>31</td>
</tr>
<tr>
<td>Map 6</td>
<td>Open Space</td>
<td>32</td>
</tr>
<tr>
<td>Map 7</td>
<td>Transit</td>
<td>37</td>
</tr>
</tbody>
</table>

## Tables

<table>
<thead>
<tr>
<th>Table</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1</td>
<td>FCRC Brooklyn Atlantic Yards Development Project by Site and Use</td>
<td>10</td>
</tr>
<tr>
<td>Table 2</td>
<td>Affordable Housing Provisions Under the “FCRC-ACORN CBA”</td>
<td>16</td>
</tr>
<tr>
<td>Table 3</td>
<td>Existing Site Zoning</td>
<td>17</td>
</tr>
<tr>
<td>Table 4</td>
<td>Demographic and Socioeconomic Characteristics</td>
<td>21</td>
</tr>
<tr>
<td>Table 5</td>
<td>Projected Increase in Population Due to BAY Residential Development</td>
<td>25</td>
</tr>
<tr>
<td>Table 6</td>
<td>Likely Income Breakdown of BAY Households Compared to Existing Households</td>
<td>27</td>
</tr>
<tr>
<td>Table 7</td>
<td>Estimated New Public School-age Children from BAY Development</td>
<td>28</td>
</tr>
</tbody>
</table>
Since its unveiling in December 2003 by developer Forest City Ratner Companies (FCRC), the proposed Brooklyn Atlantic Yards (BAY) project has been an emotionally charged topic for Brooklynites. Depending upon who you talk to, which website you visit or press conference you attend, the project is either Brooklyn’s finest hour since the long-mourned departure of the Dodgers, or an apocalyptic reprisal of the dark days of Robert Moses’ urban renewal programs.

Forest City Ratner Companies presented a large-scale, mixed-use real estate development that would consist of a 19,000-seat Arena, 4,500 units of housing, over 2.4 million square feet of office and retail space, six acres of open space and parking for 3,000 cars. Since the initial proposal, several changes by the developer have been discussed. The developer has been negotiating a community benefits agreement (CBA) with a group of stakeholders, covering especially affordable housing and local hiring. The project footprint may change slightly, to reduce the need for property takings through eminent domain. Most recently, it was suggested that much of the office space would be curtailed, or changed to housing. On March 3, 2005 the City and the State signed a Memorandum of Understanding (MOU) with the developer.

For supporters, the BAY project would bring jobs, housing, a world class sports and entertainment complex (FCRC CEO and Chairman Bruce Ratner led a team of investors that purchased the New Jersey Nets in 2003), and economic development to the neighborhoods and the borough. Mayor Michael Bloomberg has declared that, “This project complements our Administration’s vision for dramatically redeveloping Downtown Brooklyn.” For opponents, it is an ill-conceived, out-of-scale proposal that would squander taxpayer dollars, displace existing residents and businesses, bring few benefits to the area, and swamp adjoining neighborhoods with traffic.

A CHANGING NEIGHBORHOOD

The site of the proposed project is located in the heart of Brooklyn, at the intersection of the neighborhoods of Fort Greene, Prospect Heights, Park Slope, and Boerum Hill. It is adjacent to Atlantic Terminal, the third-largest transportation hub in New York City, where nine different subway lines and the Long Island Railroad converge.

Between 1990 and 2000, the Study Area (a half-mile radius surrounding the site) experienced a dramatic demographic shift. Higher income, better educated, younger, and predominantly white households from other parts of the City have moved here. In 2000, approximately 65 percent of the households in the Study Area earned more than the median income for Brooklyn, compared to 45 percent in 1990. In most other
respects, the area’s housing characteristics and socio-economic trends reflect an overall pattern of neighborhood change in which larger, lower income households have been gradually replaced by smaller, higher income households.

In spite of these gentrification trends, over 8,000 residents, or almost 15% of the Study Area’s population live below the poverty level. Home ownership increased by 12.8% to 24.7% between 1990 and 2000, but still lags behind the borough and New York City. The area includes public and subsidized housing, as well as rent-regulated and unregulated units that still house low-income families. In addition, while the immediate neighborhood has seen significant gentrification, many view BAY as a regional project within a borough, which continues to have poverty and unemployment rates far above the national average.

**Preliminary Assessment of Brooklyn Atlantic Yards**

The proposed project would likely have profound impacts on the adjoining neighborhoods and on the fiscal condition of the borough and New York City well into the future. The Metropolitan Transportation Authority (MTA) would need to transfer site control, and a platform would have to be constructed over the railyards. Assemblage of the site would likely require eminent domain, and the relocation of hundreds of households. Several thousand new residents would move to the area. Traffic impacts are likely to be dramatic. And substantial public subsidies would likely be required – the City and the State have agreed to provide $100 million each for site preparation and infrastructure development - and we estimate that total direct and indirect subsidies, including various tax breaks, could top $1 billion. Given these substantial impacts, it is essential that the project be thoroughly reviewed.

The Pratt Institute Center for Community and Environmental Development (PICCED) believes that large-scale development projects – especially those that involve public subsidies, land and discretionary actions – should achieve growth that is equitable, sustainable and meets community needs.

Judged against these goals, the desirability of the proposed BAY project unfortunately varies significantly depending on which stakeholders one considers. Residents and businesses in the immediate vicinity have expressed major concerns about displacement, increased traffic, and impact on neighborhood services, such as schools and public safety. From this perspective, the project as proposed does not meet or address the needs of the immediate community. For many in the adjoining communities that will not face these issues directly, however, the promise of jobs and affordable housing outweighs specific neighborhood concerns.
Notwithstanding the challenge of weighing differential impacts on different stakeholders, we offer the following preliminary assessment of the BAY project:

**First, the process through which this development has been advanced has not been sufficiently fair or accountable. It should be opened up for consideration of real alternatives, to ensure that the public is getting the best deal for its land and money.**

Planning for the project was initiated by the developer, considering the best site for a basketball team he was purchasing, and a large-scale mixed-use development. No officially-sanctioned public planning took place in advance to consider various alternatives for use of the site, or to collect input from area residents.

Rather than fostering inclusiveness and building community consensus, the developer’s approach has been perceived as divisive, with residents being played against each other. While there have been numerous meetings organized by supporters and opponents to advance their respective agendas, these have not enabled an informed discussion of the project.

Moreover, little clear information has been provided about the review process that the project would undergo. The City’s Unified Land Use Review Process (ULURP), which provides substantial opportunities for public input, has been effectively rendered irrelevant. Essentially, the developer has been allowed to choose the path of least public review and comment.

Given the recent decision by MTA to use open bidding to determine who wins the rights to the Hudson Yards site on Manhattan’s West Side, we believe a similar process is appropriate for Brooklyn Atlantic Yards. The City and MTA should collaborate on a process that:

- Balances the need to maximize value for MTA with community goals and broader public purpose by allowing multiple offers rather than engaging in private negotiations with a single party. The bidding process should be genuine, i.e., there needs to be sufficient time for viable proposals to be developed, refined and submitted, so that it is conducive to thoughtful planning.
- Emerges from community input before rezoning for future development, so that the goals of residents and businesses within the site and its neighbors will be better considered.
- Prioritizes affordable housing and good jobs for Brooklyn residents.
Second, there is insufficient information on two key issues for the proposed Brooklyn Atlantic Yards development: traffic impacts and public subsidies. We find it impossible to render informed judgment on the project until this information is provided.

Traffic Impacts: The developer has thus far provided no meaningful information on traffic impacts or mitigation plans. Traffic congestion in downtown Brooklyn is already severe and will grow worse in years to come as development in Downtown Brooklyn proceeds (following a recent rezoning). If substantial parts of Brooklyn can expect severe traffic gridlock on a regular basis because of the project, it could be a “no-go” regardless of other benefits. If the project does go forward, FCRC and the City should use this opportunity to engage in “big picture” thinking about Brooklyn’s transit infrastructure – not only traffic calming but also potential light rail, waterfront linkages, and ticket discounts for taking public transit. In any case, the public costs (and ancillary benefits) for mitigating potential traffic impacts from the project should be factored into the fiscal analysis of the project.

Public Subsidies: Estimates of the potential public subsidy for the project range from $200 million to more than $1 billion. Sound decisions about whether this project makes sense for taxpayers depend on a serious cost-benefit analysis of the project, which in turn depends on a clear enumeration of the value of subsidies being contemplated. The value for the development rights over the railyards is a key component of the subsidy equation.

The cost benefit analysis of the project’s economic development components (the Arena and the commercial and retail buildings) should be separated from its residential components. By their nature, residential projects involve a completely different set of public policy considerations and their economic and fiscal impacts should not be lumped together with strictly economic development components. The economic analysis backing the FCRC proposal relies on cross-subsidies from the residential units to offset the public subsidy costs of the Arena.

It is impossible for the public to know whether this project is a good deal without knowing how much it will cost (in tax dollars). It is like being asked to buy something without knowing the price. This is one reason why MTA and the City should consider multiple offers. If the proposed BAY project offers good value to the public, it will score well when considered fairly against other proposals.
Third, despite these fundamental issues of process and threshold information, we still believe it is important to understand the potential impacts – positive and negative – of the proposed BAY project, which does offer significant benefits – especially affordable housing, some good jobs and a facility to host a wider array of events in the area. For a large-scale, private real estate development project in New York City, it does better than most in making a place for low- and moderate-income people.

Affordable Housing: The developer reportedly intends to set aside nearly 50 percent of the housing, or 2,000 units, at below-market prices for low, moderate, and middle income households. While we note that these units would likely be publicly subsidized (i.e., the affordable units may not be financed through cross-subsidy from the market-rate units, but instead with public funds), this is still a significant commitment for a project of this scale. Given the City's chronic affordable housing crisis, we welcome the creation of these units.

Some Good Jobs: Most of the jobs created by this project are standard for a comparable development (construction jobs at good wages but with relatively limited participation by some communities; high-paying office jobs for skilled professionals; and low-wage retail and arena jobs). However, the developer has agreed that the building service jobs would be unionized, which would not necessarily be standard on a project of this type in the outer boroughs. Setting job quality standards that mandate living wages and standard benefits or unionizing building service jobs are proven ways of improving job quality. We support expanding these to include retail, arena and comparable jobs generated by the project. A substantial portion of these jobs should be geographically targeted for existing low-income households in the surrounding communities.

Fourth, if the BAY project does move forward, agreements surrounding community benefits must be dramatically extended to address critical issues of public schools, public safety, job quality and career ladders, and neighborhood quality-of-life – to make the project a neighborhood center rather than a corporate mall.

Address Neighborhood Priorities: In a recent survey, residents of Prospect Heights prioritized public schools, public safety, traffic, parking, and neighborhood retail services as the issues they would most like to see addressed through development. None of these appear to be addressed in the community benefits agreement, which is being negotiated. The project’s physical relationship to the surrounding community must also be addressed. Several recent joint-use projects around the country offer models for better integrating transit-oriented housing and retail development with childcare and other community facilities – in ways that make them true community centers rather than corporate malls.
**Improve Area Public Schools:** The project would bear a significant responsibility to improve neighborhood public schools. Because it will bring in several thousand new households, the project should make direct contributions to improving the facilities and quality of schools in the area. Innovative strategies should be employed that benefit not simply new residents, but a wide range of existing households as well. Such a strategy should include investments in improving and expanding facilities, attracting and retaining teachers, and supporting innovation and professional development – as well as personal leadership and investment from the developer.

**Enable Upward Mobility:** The CBA currently being negotiated does not appear to sufficiently address job quality and career advancement issues. This is a significant weakness, given that a considerable number of the expected permanent jobs will be lower-wage jobs in the retail and service sectors. We would like to see a more innovative approach, including an on-site center – paid for by the developer and tenants, in collaboration with the City – that addresses not only local recruitment, but also job training, promotions and advancement, financial literacy and asset-building strategies for employees and community residents.

In the final analysis, whether the Brooklyn Atlantic Yards project will be a slam dunk or an airball, depends on how various stakeholders, including the developer, relevant government agencies, elected officials and affected communities play the game. We hope that it will be a fair one.
1 - Purpose of the Report

In an ideal world, when a real estate development project is being considered by relevant government agencies, there would be a clear process that fostered genuine dialogue among the different stakeholders, so that the costs and benefits of development would be fully and fairly reviewed. But in reality, large-scale developments such as the BAY project are often proposed by the developer, generate polarized debate between supporters and opponents, and rise or fall based on politics rather than considered review.

The Pratt Institute Center for Community and Environmental Development (PICCED) believes that large-scale development projects, especially those that involve public subsidies, land and discretionary actions, should achieve growth that is equitable, sustainable and meet community needs. For example, such developments may include:

- Living wage jobs that provide benefits and career ladders
- Affordable housing for a range of households
- Improved public schools and educational opportunities
- Traffic and environmental impacts mitigation
- Improved public safety
- Enhanced community facilities, including childcare
- Better neighborhood retail services

This preliminary planning analysis aims to help inform public debate about the BAY project by examining current assumptions and projections about its costs and benefits. It examines the project’s potential physical, economic, fiscal and other impacts on surrounding neighborhoods and reiterates community needs and priorities, such as schools and traffic. It makes some observations about the substance of a proposed community benefit agreement (CBA) between the developer and a set of stakeholders. It explores the process through which the project is being negotiated and reviewed.

Critical information, such as the total dollar value of public subsidies being contemplated, the project’s potential traffic impacts, and the formal review process the project will follow, is yet to be provided by the developer, the City or the State. In the absence of such key information, we cannot reach conclusive findings.

However, we hope this report will provide stakeholders with a useful framework to consider the project, beyond the polarization that has characterized much of this debate. Especially as the BAY project nears its formal proposal and the beginning of public review, we hope the report helps neighborhood residents and decision makers to better understand its potential impacts and to address community interests.
2 - **Scope of the Report**

Much of this study is concerned with the potential impact of the BAY project on its surroundings in central Brooklyn. The proposed project would extend along the south side of Atlantic Avenue going east from the intersection with Flatbush Avenue. The site is immediately adjacent to the Atlantic Terminal redevelopment project, and is one (long) block away from the Williamsburgh Savings Bank building and Brooklyn Academy of Music, two of the borough’s most prominent landmarks.

The Study Area is defined here as the census tracts for which a majority of the tract’s area lies within a one-half mile radius of the project site (see Map 1). This definition is consistent with standard practices in environmental impact analysis. The Study Area thus encompasses a significant portion of Community Boards 2, 6 and 8 and the neighborhoods of Prospect Heights, Fort Greene, Clinton Hill, Park Slope, Boerum Hill and Downtown Brooklyn.

The project will also have impacts on communities beyond the Study Area – in Bedford-Stuyvesant, Crown Heights, and beyond. Despite dramatic gentrification in the Study Area in recent years, there are still significant pockets of poverty within the Study Area. Moreover, some of the poorest neighborhoods in the city are just outside the Study Area.

For residents and businesses in the Study Area, displacement, increased traffic, and impact on neighborhood services, such as schools, police and fire, are major concerns. In the adjoining neighborhoods that are not expected to face these issues directly, the promise of jobs and affordable housing seems to outweigh such concerns. However, there are manufacturing businesses (including one with over 100 unionized employees) and an artist community (around Dean and Bergen Streets between Carlton and Vanderbilt Avenues) that have major concerns about the project’s construction impacts, particularly dust and noise, as well as traffic and parking.
- Land Use and Physical Description

The development proposal for Brooklyn Atlantic Yards presented by the developer FCRC in December 2003 calls for more than just the 19,000-seat Arena and basketball sports complex that has become its landmark feature. The proposed plan covers a total of 7.7 million square feet and includes over 2.1 million square feet of office space in four new towers, approximately 4,500 units of mixed-income housing, 300,000 square feet of retail space, 3,000 parking spaces and about six acres of open space. (According to a January 22, 2005 article in The Brooklyn Papers, the housing component will likely expand by 1,300 units. The additional housing would eliminate 1,502,889 square feet of office and commercial space from the proposed project.)

Table 1: FCRC Brooklyn Atlantic Yards Development Project by Site and Use (approx)

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Site 1</th>
<th>Site 2</th>
<th>Site 3</th>
<th>Total (est.)</th>
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<tbody>
<tr>
<td>Arena</td>
<td>800,000 sf</td>
<td></td>
<td></td>
<td>800,000 sf</td>
</tr>
<tr>
<td></td>
<td>(20,000 seat max.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>41,925 sf</td>
<td>103,475 sf</td>
<td>161,936</td>
<td>307,000 sf</td>
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<tr>
<td>Office</td>
<td>2,167,267 sf</td>
<td></td>
<td></td>
<td>2.1M sf</td>
</tr>
<tr>
<td>Residential*</td>
<td></td>
<td>1,750 units</td>
<td>2,750 units</td>
<td>4,500 units</td>
</tr>
<tr>
<td>Parking</td>
<td>1,100</td>
<td></td>
<td>1,900 cars</td>
<td>3,000 cars</td>
</tr>
<tr>
<td>Open Space</td>
<td>52,000 sf</td>
<td>NA</td>
<td>NA</td>
<td>6 acres</td>
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</tbody>
</table>

* Residential development area approximated from the number of units planned for each site.

The Arena is expected to house the New Jersey Nets basketball team that FCRC President and CEO, Bruce C. Ratner, is hoping to bring to downtown Brooklyn. The plan assumes that the Arena will host an event every third night - 45 Nets home games, as well as many other events. If built, it would be the first stage in the 10-15 year development plan for a 21-acre parcel in Prospect Heights. FCRC is hopeful that the Brooklyn Atlantic Yards project will include three major development sites (see Map 2).

The key elements of the three sites are described below.
Site 1 – the super-block bounded by Flatbush Avenue, Atlantic Avenue and 6th Avenue

Although it is arguably not the element of the FCRC proposal that will most directly impact the surrounding neighborhoods, the Arena is undoubtedly the project focal point. Site 1 is the location for the potential 800,000 square feet basketball Arena that will sit on a three-block parcel of land at the intersection of Flatbush and Atlantic Avenues. It also includes 2.1 million square feet of commercial office space in four office towers (the tallest at 620 feet) that surround the stadium and is adjacent to the landmark Williamsburgh Savings Bank building. The Arena and office tower complex are designed by architect Frank Gehry to be the terminus of the City’s Downtown Brooklyn Plan, and the gateway entrance into the Brooklyn Atlantic Yards development.
The plans for the Arena describe several levels of programmed space. Below grade is a multi-level parking structure with parking for 1,100 cars on-site for event attendees and office workers. The Event Level (19 feet below grade) includes a large marshalling area, media center, lower concourse and servicing for the adjacent office towers. The entrance for the parking garage below the Arena and office complex is located on Pacific Street, near 6th Avenue, directly behind the Site 2 residential buildings.

At the roof level of the Arena, FCRC proposes to have approximately 52,000 square feet of publicly accessible recreational space, including an outdoor track, a seasonal skating rink, and a roof garden.

Site 2 – the block bounded by 6th Avenue, Atlantic Avenue, Carlton Avenue and Pacific Street

Site 2 is located predominantly over the LIRR yards. Two existing buildings along Atlantic Avenue, one currently used as a newly renovated commercial storage facility and the other, a dilapidated warehouse, would have to be demolished for development on this site. Site 2 includes 1,750 mixed-income residential units covering approximately 1.65 million square feet, with an additional 86,700 square feet retail development at-grade.

The proposed landscape design for the project includes six acres of public open spaces at-grade on Sites 2 and 3. Much of the open space remains private, however, for use as interior courts of residential buildings.

There is no on-site parking for the residential development on Site 2.
Site 3 – the super-block bounded by Carlton Avenue, Atlantic Avenue, Vanderbilt Avenue and Dean Street

From the perspective of immediate impact on the existing neighborhood, the super-block that is amassed in Site 3 displaces the largest number of residents and businesses. The plan also requires that Pacific Street be de-mapped between Carlton and Vanderbilt Avenues, creating a landscaped open space between nine residential towers that range from 180 feet to over 400 feet tall. The 2,750 new residential units for this site alone will be on the order of 2.75 million square feet. FCRC has also planned an additional 162,000 square feet of retail space for this site.

Site 3 also contains an open space that is both publicly and privately accessible.

FCRC has proposed approximately 1,900 parking spaces below grade on Site 3, which is allocated to the residential component on the site.
Critical community concerns about neighborhood services, such as the quality and selection of schools, traffic and public safety have not been raised in current CBA discussions. Nor has there been a focus on the job quality issues, given that a large number of the potential jobs created by the proposed project will be retail, arena and comparable low-wage jobs. Finally, information about the extent of subsidies is not yet available, so subsidies cannot be used to leverage a comparable amount of public benefits.

2 - Community Benefits Agreement (CBA)

To gain support for the proposed project, the developer has been negotiating a Community Benefits Agreement (CBA) with a group of stakeholders. A CBA is a legally binding contract between a developer and community organizations covering issues such as jobs, wages, public education, traffic, and open space in relation to a proposed development project.

The developer, FCRC, expressed interest in negotiating a Community Benefits Agreement or CBA for the Brooklyn Atlantic Yards project shortly after it was first announced in December 2003. In July 2004, FCRC convened a meeting of potential CBA signatories. This included: The New York chapter of ACORN (Association of Community Organizations for Reform Now), a membership-based group representing low-income city residents; BUILD (Brooklyn United for Innovative Local Development), a local group sponsored by Assembly member Roger Green; and DBOAC (The Downtown Brooklyn Oversight and Advisory Committee), which focuses on contracts for minorities and women. Several groups have been meeting on a regular basis since, negotiating an agreement. An October 3, 2004 Daily News article quoted a FCRC spokesperson saying that a fully monitorable and enforceable CBA would be signed in about a month’s time.

A draft outline of the CBA dated October 7, 2004 is summarized below. It contains sections on housing, job development, small business development, community facilities, and oversight. In many areas, specific details have not been made available. Although a final agreement was anticipated for November or December, none has emerged to date.

View of the FCRC Arena proposal
Summary of Community Benefits Agreement Outline Revised 10/07/04

Housing
- 50% of units at below-market rate affordability (see below for details)
- 10% set-aside for seniors
- Affordable condos
- Community priority list that would give residents in certain zip codes priority for new affordable units

Job development
- Project labor agreement that will attempt to ensure a trainee for every 4 journeymen hired, to be done on a local (zip code) basis
- Workforce placement to ensure that at least 35% are minority and women
- Job training – construction & commercial tenants

Small business development
- MWBE contractor goals of 20% minority-owned and 10% women-owned construction firms
- Local merchant associations, FCRC, and the Brooklyn Chamber of Commerce will work together to give local businesses priority in service and goods provision
- Community-based lending facilitated by FCRC with local banks to help local businesses gain access to financial resources needed to benefit from the project
- Minority developer program, including mentoring and financing for minority real estate professionals
- Predevelopment services – FCRC will try to hire MWBE firms for professional services

Community facilities
- Intergenerational facilities
- Healthcare
- Daycare
- Parks and recreation
- Use of the Arena-creation of a Sports Foundation

Oversight
- Monitoring and compliance
On December 4, 2004, the Brooklyn Papers reported that FCRC spokesperson Jim Stuckey had announced further details of the affordable housing component at a November 29 community meeting. According to him, ACORN is expected to be named the lead community sponsor for assigning and advertising the affordable housing. Table 2 below provides the breakdown of affordable units under different income ranges.

Table 2: Affordable Housing Provisions Under the “FCRC-ACORN CBA”

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<thead>
<tr>
<th>Number of units</th>
<th>Income range</th>
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<tr>
<td>200</td>
<td>$18,840 to $25,120</td>
</tr>
<tr>
<td>600</td>
<td>$25,120 and $31,400</td>
</tr>
<tr>
<td>400</td>
<td>$31,400 to $62,800</td>
</tr>
<tr>
<td>400</td>
<td>$62,800 to $87,920</td>
</tr>
<tr>
<td>400</td>
<td>$87,920 to $100,480</td>
</tr>
</tbody>
</table>

2,000 units total out of a proposed 4,500 units

The agreement being negotiated between FCRC and several community groups is different from the pioneering CBAs that have been negotiated in California in several important ways: The CBA for the Staples Center in Los Angeles was negotiated with a broad coalition of 25 community groups and 5 unions. Groups participating in the FCRC negotiation represent a small subsection of interested groups from the community, one of which expressed support for the proposed development even before negotiations. Groups critical of the development have not been part of the CBA negotiations, unlike the Staples case. In addition, critical community concerns about neighborhood services, such as the quality and selection of schools, traffic and public safety have not been raised in current CBA discussions. Nor has there been a focus on the job quality issues, given that a large number of the potential jobs created by the proposed project will be retail, arena and comparable low-wage jobs. Finally, information about the extent of subsidies is not yet available, so subsidies cannot be used to leverage a comparable amount of public benefits.
The project is adjacent to Atlantic Terminal, the third-largest transportation hub in New York City, where nine different subway lines and the Long Island Railroad converge. It has easy access to major citywide connectors.

2 - NEIGHBORHOOD CONTEXT

The project covers six blocks of varying size and is bounded by Atlantic Avenue, Flatbush Avenue, Vanderbilt Avenue and Dean Street. It touches several distinctive residential neighborhoods and shopping areas in Brooklyn. It is adjacent to Atlantic Terminal, the third-largest transportation hub in New York City, where nine different subway lines and the Long Island Railroad converge and has easy access to major citywide connectors. The main areas and their primary features are described below.

Prospect Heights

Prospect Heights is a primarily residential neighborhood of varied styles, including smaller brownstones (like the adjacent Bedford-Stuyvesant and Fort Greene neighborhoods), renovated loft spaces, and a few high-rise apartment buildings. The Brooklyn Atlantic Yards site falls at the edge of this neighborhood. Some large-scale commercial uses, such as storage buildings and office spaces are located immediately adjacent to the railyards site. Residential uses intensify to the south of the Brooklyn Atlantic Yards site, approaching Park Slope, but several commercial streets define the area bound-
aries, including Washington, Flatbush and Vanderbilt Avenues. These commercial strips are characterized by smaller, independent storefronts, often with 2-3 story apartments above.

At the other end of Prospect Heights, near Grand Army Plaza, the neighborhood hosts the main branch of the Brooklyn Library, the entrance to Prospect Park, the Brooklyn Museum and the Brooklyn Botanic Garden, all major landmarks for the borough.

**Atlantic Terminal/Atlantic Center Mall**

Located directly above the LIRR Flatbush Station and the Atlantic Avenue/Pacific Street subway station, the Atlantic Center Mall, developed and owned by FCRC, includes many large retail stores, like Target and Pathmark. Office tenants include the Bank of New York, the Empire State Development Corporation and the Department of Motor Vehicles. The Arena at the Brooklyn Atlantic Yards development is proposed for a site directly across the street from Atlantic Terminal.
Fort Greene

Fort Greene is a neighborhood of primarily 19th and early 20th century brick and brownstone row-houses. Other residential construction includes a few converted residence hotels from the same era, detached wood-frame houses, and several New York City Housing Authority (NYCHA) developments, including the RV Ingersoll Houses and Walt Whitman Houses. To the north of the NYCHA developments, the BQE connects the neighborhood to Williamsburg and Brooklyn Heights, and beyond that lies the Brooklyn Navy Yard - a rapidly changing industrial area.

Landmark buildings at the edge of the Fort Greene neighborhood include the Williamsburgh Savings Bank and the newly renovated Brooklyn Academy of Music (BAM). With the recent investment at BAM, Fort Greene has become host to a thriving arts and entertainment community. Major commercial strips include Myrtle Avenue, Fulton Street, and DeKalb Avenue. DeKalb is a neighborhood “restaurant row”; Myrtle Avenue and Fulton Street are traditional neighborhood shopping strips. A primary neighborhood amenity, Fort Greene Park is a popular location for active and passive recreation. Fort Greene is also the host to Long Island University’s Brooklyn Campus and Hospital, and is adjacent to Pratt Institute.

Other neighborhoods in the vicinity of the proposed project include Park Slope, Boerum Hill, and Downtown Brooklyn.
3 - DEMOGRAPHIC AND SOCIO-ECONOMIC CHARACTERISTICS

Though the Study Area is just over three quarters of a square mile, it includes a number of diverse neighborhoods with very different demographic and socio-economic characteristics. It includes brownstone census tracts in Park Slope occupied by predominantly affluent white households, and public housing tracts in Boerum Hill populated by African-American and Hispanic households with low incomes, high unemployment, and limited education.

The Study Area, overall, has changed (gentrified) dramatically over the past twenty years as smaller, higher-income, more educated and predominantly white households have moved into the Area. Nevertheless, it is still characterized by pockets of poverty.

In 2000, just over 42 percent of neighborhood residents reported themselves to be Black or African American compared to 51 percent in 1990. During this period, the percentage of white residents in the Study Area has increased by 5 percent.

Population, race and ethnicity: In 2000, just over 42 percent of neighborhood residents reported themselves to be Black or African American compared to 51 percent in 1990.

There has also been a dramatic shift in the white population of the neighborhood between 1990 and 2000. During this period, while the percentage of white residents in New York City decreased by 9 percent respectively, the percentage of white residents in the Study Area has increased by 5 percent.

Compared to the City and the borough, the Study Area has only seen a modest increase in the number of foreign-born residents between 1990 and 2000.

The population of the Study Area increased overall by 4 percent to 53,849 residents between 1990 and 2000.

Household income levels: In 1990, approximately 45 percent of the Study Area households earned more than the median household income for Brooklyn ($25,684). In 2000, approximately 65 percent of the households in the Study Area earned more than the median income for Brooklyn, predominantly an outcome of gentrification.
Poverty levels: Despite the generally high incomes, there are over 8,000 people (15 percent of total population) in the Study Area who are living below the poverty level. Of these individuals, approximately 25 percent are seniors and 22 percent are children.

Educational attainment: Compared with the City (and the borough) as a whole, the Study Area has a much higher level of educational attainment because “new” residents who have moved into the Area in the last ten years are more educated.

In 1990, 23 percent of residents from the Study Area had not graduated from high school, whereas in 2000, 16 percent had not. The percentage of people who earned a bachelor’s degree increased significantly from 1990 to 2000, from 40 percent in 1990 to just over 50 percent in 2000.

Employment and workforce participation: Compared to the City- and borough-wide employment levels, the Study Area has a much higher percentage of the population in the labor force. Of the total population over 16 years of age in the Study Area in 2000, approximately 66 percent were employed and 4 percent were unemployed. The remaining 30 percent were either not part of the labor force (enrolled in school or retired) or were registered in the Armed Forces.

In 2000, approximately 65 percent of the households in the Study Area earned more than the median income for Brooklyn, predominantly an outcome of gentrification.

Despite the generally high incomes, there are over 8,000 people in the Study Area who are living below the poverty level.
4 - **HOUSING STOCK AND HOUSEHOLD CHARACTERISTICS**

The Area’s housing characteristics and socio-economic trends reflect an overall pattern of neighborhood change in which larger, lower income households are being gradually replaced by smaller, higher income households.

**Housing units:** The Study Area included 26,032 housing units in 2000, a 6.5% increase over 1990, roughly comparable to the increase for Brooklyn and the City as a whole. The Study Area housing stock is significantly older than the City- or borough-wide stock.\textsuperscript{11}

**Form of tenure:** 75.4% of all occupied households are renters. The Study Area saw a 12.8% increase in homeownership, roughly comparable to the borough and City. But the Area’s 2000 homeownership rate (24.7%) lags behind the borough and the City.

**Duration of tenure:** In 1990, nearly half the households in the Study Area had moved in within the previous five years, a significantly higher proportion than the borough or City as a whole. By 2000, nearly 54% of households in the Study Area had moved in the previous five years, and only 17% had lived there for more than twenty years, compared to 24% citywide.

**Household size:** While the number of households with five or more members increased citywide and across the borough of Brooklyn by 12.5% and 6.7% respectively, it dropped by nearly 9% in the Study Area. At the same time, the percentage of one and two person households increased by over 12%, more than double the City- or borough-wide increase. Data on employment and educational attainment are consistent with this pattern.

**Age of householder:** Nearly 60% of primary householders within the Study Area are between the ages of 15 and 44 years old, compared to just over 46% citywide. Twenty percent of primary householders citywide are 65 years or older, while just over 12% are within the Study Area.

**Vacancy rate:** The local housing market remains extremely tight. The rental vacancy rate for the borough fell from 3.3% in 1999 to just 2.7% in 2002, more than the .3% drop citywide.\textsuperscript{12} Borough-wide, just over 39% of rental units do not fall under some form of rent regulation compared to 37% within the three sub-borough areas surrounding the project site.\textsuperscript{13}
Rent levels: Housing costs have followed the shifting composition of the area’s households. Virtually all parts of the City experienced dramatic reductions in low cost rental units and large increases in the number of higher cost units. Within the Study Area, 31.2% of rental units have monthly gross rents of $1,000 or more, compared to 19% citywide. The Study Area, borough and City all experienced a 50% loss in the number of units renting for less than $500.\textsuperscript{14}

Household income and affordability: Median household income adjusted for inflation fell across the borough and the City between 1989 and 1999. Within the Study Area, however, household income increased over 15% within the same time period and stood at nearly $50,000. (The median household income for the borough was $32,135 and for the City $38,293.)

As a result, renter households within the Study Area in aggregate are a bit less likely to be excessively rent burdened\textsuperscript{15} than Brooklymites or New Yorkers overall. However, despite relatively high median household income, more than 36% of all Study Area households are rent burdened, i.e., pay more than 30% of their income in gross monthly rent.

The Area’s housing characteristics and socio-economic trends reflect an overall pattern of neighborhood change in which larger, lower income households are being gradually replaced by smaller, higher income households.

Within the Study Area, 31.2% of rental units have monthly gross rents of $1,000 or more, compared to 19% citywide.
Prospect Heights Neighborhood Survey, October 2004

An extensive survey of people who live and work in Prospect Heights, an extremely diverse neighborhood of some 20,000 people near downtown Brooklyn, conducted by the Pratt Institute Center for Community and Environmental Development (PICCED) and Prospect Heights Neighborhood Development Council (PHNDC), between June and September 2004, found that residents not only want development, but have very strong and clear opinions about the kind of future they envision for their neighborhood.

Residents want future development to address the neighborhood’s current shortcomings. Key areas identified that require improvement are:

- public education
- public safety
- housing opportunities for low- and moderate-income households
- street conditions, traffic safety and parking availability

Residents also support development that will provide permanent living-wage jobs and meaningful economic opportunities for low-income populations in Brooklyn and identified commercial services that are needed for the neighborhood. These include:

- small local restaurants and diners
- businesses related to arts and culture
- specialty shops

While residents favor development, they also value and want to retain certain neighborhood characteristics. These include:

- social and economic diversity
- good public transportation
- access to parks and open space
- architectural quality
- strong sense of community

Opinion about the Proposed Brooklyn Atlantic Yards Project

An overwhelming majority (81.4%) of survey respondents said that they were either very concerned or concerned about the impact of the proposed Brooklyn Atlantic Yards Project by Forest City Ratner Companies on Prospect Heights and surrounding neighborhoods. Specific concerns (listed from highest to lowest) include:

- increased traffic
- cost to taxpayers
- impact of construction related nuisances over 10 years
- displacement of residents and businesses due to eminent domain
- mismatch between existing and proposed scale of development
- impact on public transportation
- increased real estate prices
- loss of community character
1 - Population Change Attributable to BAY Residential Development

The calculations shown in Table 6 project an increase of 9,810 people generated by the residential component of the project. If the proposed 4,500 units are built, it would increase the Study Area’s housing supply by 17 percent (total units in 2000 was 26,032).

Table 5: Projected Increase in Population Due to BAY Residential Development

<table>
<thead>
<tr>
<th>Unit size</th>
<th>No. units</th>
<th>Estimated average household size</th>
<th>Total persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>900</td>
<td>1</td>
<td>900</td>
</tr>
<tr>
<td>One bedroom</td>
<td>1,350</td>
<td>1.85</td>
<td>2,498</td>
</tr>
<tr>
<td>Two bedroom</td>
<td>1,350</td>
<td>2.75</td>
<td>3,713</td>
</tr>
<tr>
<td>Three bedroom</td>
<td>900</td>
<td>3</td>
<td>2,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,500</strong></td>
<td><strong>2.18</strong></td>
<td><strong>9,810</strong></td>
</tr>
</tbody>
</table>

If the total number of units increases by another 1,300 units, as recent media reports suggest, then the project will add another 2,834 people, i.e., the projected increase in population due to BAY residential units would be 12,644, assuming the same unit mix and average household size for each unit size. This would be an increase of 22% over the Study Area’s housing supply in 2000.

2 - Displacement and Demographic Shifts Due to Project

Residential Displacement

When the BAY project was first announced, there were an estimated 334 residents in the proposed project footprint who would be displaced directly by the project. The developer indicated that eminent domain would be used to acquire the buildings occupied by these residents. FCRC estimates that it would raze about 140 apartments, according to more recent media reports.

In the interim, FCRC has acquired several of these sites, as well as a substantial number of cooperative and condominium units. One site in the proposed footprint, however, has been acquired by another developer. It is unclear at this moment how many residents would therefore be displaced if eminent domain is used. The use of eminent
domain to take property for the BAY project may also be affected by the Supreme Court’s consideration of the practice of taking private property to convey to a new private owner for economic development, in *Kelo v. City of New London* (although media reports following the Court’s hearing on February 23, 2005 suggest that this is unlikely).

Potential secondary displacement is more difficult to measure. The surrounding area has already experienced substantial gentrification and it is reasonable to assume that many households have already moved because of rising rents. The BAY project would increase the total housing supply in the area by 17 percent (if the planned 4,500 units are built). Nevertheless, there remains a meaningful likelihood that the project would cause some increase in housing prices in the surrounding area.

Low-income residents living in unregulated units in 2 to 4 family buildings are particularly vulnerable to displacement, especially as these buildings change hands. Some of the poorest parts of the area have large public housing complexes, which makes their low-income residents relatively immune to displacement pressures. Atlantic Terminal Houses 1 and 2 (between S. Elliot and S. Portland) are Mitchell-Lama cooperatives with a total of 504 units that receive City and federal subsidies. The owners, who are low- and moderate-income, have the right to buy out their subsidies but are reportedly unlikely to do so in the near future.19

The project should therefore include mitigation strategies to address both direct and potential indirect residential displacement. One possibility would be to give displaced residents a priority for affordable units created as part of the BAY development.

**Demographic Shifts**

Under the proposed community benefits agreement, nearly 50 percent of the residential units will be offered at below-market prices to low, moderate, and middle-income families. As a result, the mix of incomes of new households in the BAY project will not differ markedly from the range of households that currently live in the Study Area (based on 2000 Census data).

The following table compares likely household incomes of future residents of the BAY project (based on the draft community benefits agreement) with the income of current households in the Study Area.
Since the proposed site for the Brooklyn Atlantic Yards development is at the nexus of several established residential neighborhoods, neighborhood services such as schools, daycare centers, firehouses and parks have long existed to serve the educational, childcare, security, recreational, and other needs of local residents. The recent demographic and real estate market-led growth of the last twenty-odd years has put increasing strain on many of the public (and private) services in this area. A mega-development like BAY will contribute to this pressure, and will, in all likelihood, require an expansion of existing services.

The following sections briefly describe schools, day care centers, public safety services and open space in the neighborhoods surrounding the proposed development site.

### Schools

There are 15 public and five private schools (first through twelfth grades) within a half-mile of the proposed development site. We were able to obtain capacity and enrollment data for 11 of the 15 public schools. The data shows that in the aggregate enrollment at these 11 public schools was at 74 percent of capacity (enrollment - 9,273; capacity - 12,558). Some schools, like M.S. 340 in Prospect Heights, are at

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### Table 6: Likely Income Breakdown of BAY Households Compared to Existing Households

<table>
<thead>
<tr>
<th>Income Tier</th>
<th>Study Area</th>
<th>FCRC/ACORN</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>$15,000 - $24,999</td>
<td>$18,840 - $25,120</td>
</tr>
<tr>
<td></td>
<td>8.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>II</td>
<td>$25,000 - $29,999</td>
<td>$25,120 - $31,400</td>
</tr>
<tr>
<td></td>
<td>5.4%</td>
<td>13.3%</td>
</tr>
<tr>
<td>III</td>
<td>$30,000 - $59,999</td>
<td>$31,400 - $62,800</td>
</tr>
<tr>
<td></td>
<td>30.2%</td>
<td>8.9%</td>
</tr>
<tr>
<td>IV</td>
<td>$60,000 - $99,999</td>
<td>$62,800 - $87,920</td>
</tr>
<tr>
<td></td>
<td>22.4%</td>
<td>8.9%</td>
</tr>
<tr>
<td>V</td>
<td>$75,000 - $99,999</td>
<td>$87,920 - $100,480</td>
</tr>
<tr>
<td></td>
<td>11.4%</td>
<td>8.9%</td>
</tr>
<tr>
<td>VI</td>
<td>Over $100,000</td>
<td>Over $100,480</td>
</tr>
<tr>
<td></td>
<td>22.3%</td>
<td>55.6%</td>
</tr>
</tbody>
</table>

---
A recent survey of Prospect Heights residents shows that there is general dissatisfaction among residents with the quality of instruction and the overall selection of public elementary schools. Improving educational quality and facilities was the number one priority of survey respondents for development in the area.

Beyond the question of the capacity of existing facilities, a recent survey of Prospect Heights residents shows that there is general dissatisfaction among residents with the quality of instruction and the overall selection of public elementary schools. Improving educational quality and facilities was the number one priority of survey respondents for development in the area.

Slightly over half of Brooklyn Atlantic Yard’s new housing units are projected to be studio or one-bedroom apartments (and thus unlikely to have many households with children), but 2,250 of the new units will be two and three-bedrooms. The following table shows the potential increase in the number of public school-age children from the BAY residential development, using the national average yield for high density housing of 0.2 public school-age children per unit.

<table>
<thead>
<tr>
<th>Table 7: Estimated New Public School-age Children from BAY Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of children with proposed 4,500 units</strong></td>
</tr>
<tr>
<td>All two and three-bedroom units</td>
</tr>
<tr>
<td>Two and three-bedroom affordable units only</td>
</tr>
</tbody>
</table>

Given current enrollment rates and existing capacity, it is likely that public schools in the Study Area could accommodate the estimated additional 450 school age children (or 580 if the project’s commercial space is reprogrammed to residential) from the BAY project. However, because of regionalization of schools, as in the case of M.S. 340, it is hard to predict how new enrollment would match up with capacity. Thus, some additional school capacity may be needed in neighborhoods like Prospect Heights.

However, the relationship between the proposed BAY project and the neighborhood’s public schools should not end with a simple consideration of capacity. One reason that local schools are under capacity is dissatisfaction with their quality. As a result, residents will only judge development to be a true success if it improves public school quality. And once quality increases, enrollment would likely rise, leading to a need for more seats.
Innovative strategies are being employed around the country, from Los Angeles to St. Louis, to address public school improvements within the context of mixed-income real estate development. Developers have not only built new schools (including some multi-use schools that also serve as community facilities after hours); they have also made investments in improving and expanding existing facilities, attracting and retaining teachers, and supporting innovation and professional development. Several of these projects have featured personal leadership and investment from the developer. The BAY project offers opportunities to go beyond standard mitigation steps to improve educational options. Strategies should be employed that benefit not simply new residents, but a wide range of existing households as well.
A survey of Prospect Heights residents echoes this relatively high response time: public safety was rated as one of the top three neighborhood concerns by respondents. They also want increased police visibility and quicker responses to calls.

Child Care/Day Care

The City Environmental Quality Review (CEQR) Manual considers an adverse impact on childcare when a development would add demand of more than 5% to the number of low and moderate income children needing publicly-subsidized childcare in the surrounding area.

Slightly over 1,300 public and private group day care and public head start slots exist within a half mile of the BAY site. The 2,250 two and three-bedroom units will have children, and those age five and under will create an increased demand for childcare services in the area. Assuming that 35.5% of these units (approximately 799 units) are affordable to low-to-moderate income households (based on the community benefits agreement), this would likely yield approximately 285 low-to-moderate income children in need of subsidized childcare – an increase of over 21%.

Because the project would likely have an adverse impact on the provision of publicly-subsidized childcare in the surrounding area, the developer should consider mitigation strategies, including the creation of on-site childcare. An on-site childcare center should serve children at a range of incomes, including subsidized slots for low-to-moderate income residents and employees.

Police

The one-half mile buffer around the proposed site encompasses parts of four police precincts: the 77th, 78th, 84th and 88th. The four-block project site itself is covered by three different precincts.

Like the City overall, crime rates have fallen over the last several years in the neighborhoods surrounding the proposed site. Between 1993 and 2003, all crimes went down between 67 percent and 68 percent in the four aforementioned precincts. (This is a slightly larger decrease than the citywide decrease of exactly 66 percent.)

In general, response times to critical crime-in-progress calls in the precincts surrounding Brooklyn Atlantic Yards have been steadily decreasing over the last four years. Additionally, the average response times for these precincts tend to be faster than the City’s five-minute figure.
However, the 77th precinct which serves Prospect Heights is the exception to this pattern; after decreasing from FY 2001’s average of 6.3 minutes to 5.4 minutes in FY 2003, the figure went back up for FY 2004 to 5.5 minutes. A survey of Prospect Heights residents echoes this relatively high response time: public safety was rated as one of the top three neighborhood concerns by respondents. They also want increased police visibility and quicker responses to calls.

A development on the scale of the BAY project, involving a sports arena and office, commercial and residential space, would create significant new 24-hour demands on services. There is no question that additional resources will be required to adequately respond to calls in a timely manner and provide adequate visibility and presence on neighborhood streets.
Fire

Portions of six fire company districts/precincts lie within the half-mile buffer from the site. Two engine/ladder companies are located within the buffer, and they are both in Prospect Heights; one is located just outside of the Brooklyn Atlantic Yards site on Dean Street and Sixth Avenue, and another one is located on St. John’s Place between Washington and Classon Avenues, several blocks southeast of the site.

The average response time to structural fires in Brooklyn has hovered around 3 minutes 55 seconds over the last five years. These figures are lower than the City overall (4 minutes 19 seconds in Fiscal Year 2004) and each of the boroughs individually. However, considering that four of the six fire companies closed by the Mayor in May 2003 were in Brooklyn, those figures may not be sustainable. A high-density, mixed-use development such as the BAY project will greatly strain the existing resources of local fire companies, particularly Engine 219/Ladder 105 which lies just outside the southeastern portion of the site’s footprint.
Open Space and Community Facilities

The Study Area is blessed with substantial open space and recreational areas. Prospect Park, Brooklyn’s largest and best-known park, and the Brooklyn Botanic Gardens, are just over one-half mile away from the site to the south. Fort Greene Park, a smaller but significant park, is in the northern part of the half-mile buffer. Several playgrounds, parks, and community gardens exist within the half-mile buffer, though they vary in accessibility and quality.

The project may have an adverse impact on the Brooklyn Bears community garden located across the street from Site 1, at the intersection of Atlantic Avenue and Flatbush Avenue on a site also owned by Forest City Ratner Companies. A larger garden on this site was scaled back when FCRC developed two retail stores on the site. Ownership of this garden was to have been transferred to a community land trust several years ago, but this transfer has not taken place.

The Brooklyn Atlantic Yards proposal contains provisions for active and passive open space. How much of it will be physically accessible and open to the public is not yet clear. The Arena is planned to have approximately 52,000 square feet of publicly accessible recreational space, including an outdoor track, a seasonal skating rink, and a roof garden. As such, it could provide the area with a facility to host a wider array of events; concerts, high school sports events, etc. The community benefits agreement discusses a potential Sports Foundation; however, details are not available on what would be included in such a foundation.

4 - Impact on Retail and Small Businesses

Several commercial streets run through the Study Area, including Flatbush, Washington, Vanderbilt, Fifth, and Seventh Avenues. These commercial strips are characterized by small independent storefronts, often with 2-3 story apartments above. These strips vary substantially in quality. Over the past 10 years, as more affluent households have moved into the area, they have not been significantly affected by the introduction of large retail stores in the Atlantic Center Mall (as some planners, including those at the Pratt Center, had initially feared). It appears that mall retail and street retail may be able to co-exist in this area.

The Arena could have positive ripple effects on neighborhood businesses, particularly if event attendees from outside the area who visit it as a destination use neighborhood restaurants, retail and other local services. However, drawing people out from the
confined space of an Arena into the neighborhood can be a significant challenge, and potential ripple effects can only be realized with thoughtful and deliberate planning.

Substantial vacancies continue to exist on Vanderbilt and Washington Avenues, and there are gaps in local retail services. Prospect Heights survey respondents expressed a strong preference for small-scale, street-oriented, neighborhood-serving retail stores over big box retail and chain restaurants for the neighborhood.

It is not yet sufficiently clear how the retail development would be oriented. At the Atlantic Center Mall, most of the retail stores in the development are big-box stores, oriented internally to the mall. In addition to serving those who come to the Arena as a destination, the BAY development should address the need for neighborhood-serving retail (dry-cleaner, pharmacy, etc.) that will provide the goods and services needed by local residents. The design of this retail space should encourage circulation at the street level and accommodate existing neighborhood-scale small businesses.

As part of this effort, steps should be taken to ensure that the 300,000 square feet of retail space for the BAY project does not displace existing neighborhood businesses. The CBA outline indicates that local merchant associations, FCRC, and the Brooklyn Chamber of Commerce would work together to give local businesses priority in service and goods provision. More details of these plans should be provided.

5 - Project Transportation Impacts

Located at the already-congested intersection of Flatbush and Atlantic Avenues, the proposal stands to benefit from an existing transit hub (subway and rail), several bus lines, and easy access to major citywide connectors, like the approaches to the
Manhattan and Brooklyn Bridges and the Brooklyn-Queens Expressway. Because of the high traffic volumes in the area, project transportation issues are important to local residents, and have become highly contentious. Some neighborhood organizations suggest that the project, combined with the new plan for Downtown Brooklyn, will generate 174,000 vehicle trips per day. Concern about traffic was identified as one of the four top issues for Prospect Heights residents in the aforementioned survey.

The developer has thus far provided no public information on their estimates of traffic impact or their mitigation plans. Traffic congestion in downtown Brooklyn is already unacceptable and there is overcrowding on transit lines. If substantial parts of Brooklyn can expect severe traffic gridlock on a regular basis because of the project, it could be a “no-go” regardless of other benefits, i.e., traffic concerns serve as the threshold for determining the feasibility and desirability of the project. The analysis of traffic impacts will therefore be a critical component of an Environmental Impact Statement for the project. This analysis, once presented by the developer, will need to be subjected to independent review.

To alleviate traffic problems in the area, several plans have been suggested, including widening Flatbush Avenue at Dean Street (a City Planning proposal) and/or widening Atlantic Avenue (an FCRC proposal). Proposals like these, which expand upon existing transportation infrastructure, are a major concern for the residents of the area. In a neighborhood that already has problems with elevated asthma rates, the widening of Atlantic Avenue will not only create a barrier between the Prospect Heights and Fort Greene neighborhoods; the additional traffic may aggravate the existing health problems. These neighborhoods already support several public transportation hubs and major road connections.

Parking

FCRC has proposed approximately 3,000 parking spaces below grade across the entire development, about two-thirds of which is allocated to the major residential component on Site 3. The remainder (1,100 spaces) is provided at the Arena, for event attendees and office workers. According to the Downtown Brooklyn final EIS, the Brooklyn Atlantic Yards proposal is not expected to displace any existing off-street parking facilities, but the residential and commercial components are expected to generate new off-street parking demand during the weekday AM and midday periods. It is expected that the on-site parking provided as part of the Brooklyn Atlantic Yards proposal will be sufficient to accommodate all of the new demand during the weekday AM and midday periods.
There is no on-site parking for the 1.8M square feet of residential development on Site 2. The entrance for the parking garage below the Arena and office complex on Site 1 is located on Pacific Street, near 6th Avenue, directly behind the Site 2 residential buildings.

For the Arena itself, the parking demand is expected to be highest during the weekday PM hours and on weekends. The Downtown Brooklyn final EIS does not include a parking analysis for the Arena demand. During the regular season, the Arena is expected to host about 45 NBA basketball games, along with an unspecified number of concerts and other public events. In addition, the most recent proposals for the NYC 2012 Olympic Bid identify the Arena as a venue for international competition. The variety and number of planned Arena uses, as well as new residential development, would likely impact on-street parking conditions, and indicates the need for additional transportation and parking studies.

**Transit**

It can be expected that due to the location near a large transit hub, and the transportation patterns of basketball fans in New York (estimated from Madison Square Garden NY Knicks games), the EIS traffic analysis will show a large proportion of visitors arriving at the Arena by transit, rather than by car. An analysis of this type has also been used to justify an unusually low number of on-site parking spaces provided as part of the West Side Jets Stadium proposal. Although it is assumed that much of the fan base will change once the Nets and Jets are brought to New York, it is important to note that virtually all of the current sports fans drive to the existing venues in the Meadowlands, NJ.

Minor changes to the bus routes would also be required if Brooklyn Atlantic Yards were to be built as proposed. B63 buses, which currently run down 5th Avenue, would have to be rerouted, as 5th Avenue between Atlantic and Flatbush Avenues will have to be permanently closed.

With an expected completion date in 2005, the LIRR’s restored Flatbush Avenue terminal will include an expanded concourse, new entrances, air conditioned waiting rooms and connectors to a renovated Atlantic Avenue/Pacific Street subway station. The Brooklyn Atlantic Yards proposal incorporates the reopening of several currently unused pedestrian entrances and corridors at the south end of the Atlantic Avenue/Pacific Street subway station. These entrances would provide direct access between the Arena and the local transit hub.
At Atlantic Avenue, the LIRR Storage Yards are kept primarily for storage and repair of rail cars, but on any given day much of the yard is empty. The FCRC plan reduces the size of the storage yard, from a sunken expanse of three super-blocks, from 5th Avenue to Vanderbilt Avenue between Atlantic Avenue and Pacific Street, to a single block between Carlton and Vanderbilt Avenues. The northeastern half of Site 3 is kept for rail storage use, at the level of the parking garage. The access tracks between the main LIRR lines under Atlantic Avenue and the storage yard run diagonally underneath Site 2. To date, there has been no public discussion about whether the reduction in track storage space will affect the functionality for LIRR.

If the project does go forward, FCRC and the City should use this opportunity to engage in “big picture” thinking about Brooklyn’s transit infrastructure – not only traffic calming but also potential light rail, significant changes to bus service to create bus rapid transit (e.g., buses with three doors lower to the ground to reduce the time of each stop, as is standard in Europe; along with more dedicated bus lanes), new trans-
By changing the block shapes, FCRC is able to create very large floor plates for development – on the scale of the development at Atlantic Terminal. Floor plates of this size are typical of new development both in Brooklyn and for similar projects outside of the City, but they are much larger than the scale typical of development in the surrounding neighborhoods.

...portation linkages to the waterfront, and ticket discounts for taking public transit. One possible mitigation strategy, depending on the findings of a traffic impact analysis, could be to use fiscal tools like congestion pricing (i.e., Arena visitors would get discounts on tickets if they use public transit) for the Nets’ games and other Arena events. In any case, the public costs (and ancillary benefits) for mitigating potential traffic impacts from the project should be factored into the fiscal analysis of the project.

6 - PROJECT URBAN DESIGN IMPACTS

The Downtown Brooklyn final EIS states that “the development of [the Atlantic Yards Arena], in addition to the completion of the large-scale Atlantic Terminal commercial/retail development, the adjacent Atlantic Center residential mixed-use project and other large residential developments in the immediate area, is likely to substantially change the neighborhood character of the Atlantic Terminal area with considerable increases in residential, commercial and other economic activity.” The character of the immediate area is “likely to change from a primarily commercial district to a mixed-use area with a substantial residential presence and an overall increase in street life during business and non-business hours.”

Relative Scale of Development

When the EIS for the Downtown Brooklyn Plan was completed, it was expected that the new construction for that area would be substantially taller and more modern than what exists. The same is true – and in a substantially greater discontinuity with the majority of surrounding buildings – for the Brooklyn Atlantic Yards area. Each of the proposed office towers will be taller than the tallest building in Brooklyn – the adjacent Williamsburgh Savings Bank. As such, it is expected that this project would alter views of the Williamsburgh Savings Bank from the south, and that it will significantly alter the view corridors of Atlantic and Flatbush Avenues. These visual impacts and shadow, wind and noise effects will have to be studied as part of the project-specific EIS for the Brooklyn Atlantic Yards proposal.

According to the Downtown Brooklyn final EIS, the Brooklyn Atlantic Yards project will not cast shadows on existing and proposed neighborhood open spaces. More specifically, they will not cast any shadows on public spaces that are not already in shadow due to the effects of other surrounding buildings. However, several independent analyses have questioned this finding. The project is expected to require changes...
to the existing block shapes (de-mapped and widened streets) and street patterns. By changing the block shapes, FCRC is able to create very large floor plates for development – on the scale of the development at Atlantic Terminal. Floor plates of this size are typical of new development both in Brooklyn and for similar projects outside of the City, but they are much larger than the scale typical of development in the surrounding neighborhoods.

**Street-life Interaction**

If built as envisioned by architect Frank Gehry, the project would significantly alter current streetscape and street-life interaction in the Study Area. The streets around the existing LIRR yards are not pedestrian-friendly, as they lack activity, sufficient lighting, and are subject to high winds and other environmental effects. As proposed, the Brooklyn Atlantic Yards project would open the activity within the building to the street, creating a series of glassed-in “urban rooms” that would be visible from outside the development. They would also be the location for additional subway entrances, which would be reopened with the development of the FCRC proposal. Street-life interaction will also depend on the design of the retail space; i.e., whether it will encourage circulation at the street level and accommodate existing neighborhood-scale small businesses such as dry-cleaners and pharmacies with storefronts on streets. It does not appear that the current proposal is intended to utilize street-level design to connect and integrate the project into the surrounding community.

There is no question that the BAY project would dramatically alter the built environment, urban design, and scale of the surrounding neighborhood. Some residents have therefore called for a reduction of the project’s scale, an assessment of its construction impacts, a reduction of the height of its towers, and/or a reorientation of the plan for ground-floor and street-life interactions to better integrate the project into the neighborhood.
7 - JOB CREATION AND QUALITY

This analysis deals only with the direct employment impact, i.e., no multiplier analysis is used to estimate the indirect (business-to-business relationships), or the induced (consumption-related) effects.

Based on information provided by FCRC (exceptions noted), the 11,175 estimated permanent jobs created by the BAY project are:

- 10,000 office jobs (occupying the 2.1 million SF of office space)
- 775 retail jobs (300,000 SF of neighborhood retail on the ground floor of residential buildings)
- 400 arena jobs

In addition, FCRC estimates 15,000 construction job-years of work (i.e., 15,000 jobs of one-year duration). We estimate that several hundred building service and security jobs will also be created.

The following analysis uses average wage and salary data for detailed industries for Brooklyn from the State Department of Labor for 2002.

The average wage for all private and public sector jobs in Brooklyn in 2002: $32,882.

**Temporary Construction Jobs**

The average wage for all construction jobs in Brooklyn is $44,142. Since this average includes some small-scale residential and some non-union commercial construction, the average wage paid for the BAY work (assuming it is largely union and performed by large construction companies) will most likely be higher. Thus, the construction work should average in the $50,000 range, with heavy engineering trades paying closer to $60,000-65,000. Since unionized construction work usually carries with it substantial health and other fringe benefits, the construction jobs will be among the best jobs, although temporary, created by the BAY project.

If significant portions of these jobs are successfully targeted to low-income households in the Study Area and in neighborhood communities in Brooklyn, they could provide meaningful economic opportunities to these households. Unfortunately, there is reason for concern that a relatively small number of these jobs would go to Brooklyn residents, without a significant effort. The CBA indicates that the developer would enter
into a project labor agreement, and create an apprenticeship program with the Building and Construction Trades Council, to set aside training spots for residents of Prospect Heights, Fort Greene and other adjacent communities, and to ensure that at least 35% of workers on the project are minorities and women.\(^4\)

**Permanent Jobs**

**Office jobs**

FCRC says this will be class A office space with the targeted tenants being back office financial sector jobs, like those at Metrotech or the Bank of New York at Atlantic Terminal. Since it may not be realistic to assume that all of the 10,000 jobs will be back office finance, a more likely scenario would be a mix of finance, professional and business services, administrative, and some government. A reasonable average wage range for these jobs then would be $40,000 to $45,000. Zimbalist used a $66,000 figure assuming most of them would be finance. Kim and Peebles used a more realistic $44,200 figure.

However, these are the least likely to be new jobs. While Zimbalist estimates that 60% of these jobs will be new, we believe that estimate is unrealistic. Most of the recent new office tenants at both the Atlantic Center Mall (e.g. Bank of New York) and MetroTech (e.g. Blue Cross/Blue Shield) are businesses that moved from Manhattan to Brooklyn. As a result, these jobs – by far the best permanent jobs created by the project – are much less likely to be new, and therefore less likely to be available to Brooklyn residents.

**Retail jobs**

The developer estimates that 775 retail jobs will be created by the 300,000 sf of retail space in the development. The average wage range is likely to be $15,000-$18,000.

**Arena jobs**

Amusement/recreation and food service jobs are at the very bottom of the pay scale among all Brooklyn industries. The operative range would be $14,000-$15,000. (The workers at the Continental Arena in the Meadowlands, the current home of the New Jersey Nets, are represented by the union UNITE-HERE.)

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**Average Wages**

- **Construction:**
  - $50,000 - $65,000

- **Office Jobs:**
  - $40,000 - $45,000

- **Retail Jobs:**
  - $15,000 - $18,000

- **Arena Jobs:**
  - $14,000 - $15,000

- **Building Service and Security Jobs:**
  - $33,000 - $40,000
Building service and security jobs

Several hundred building service and building security jobs will be created for the commercial and residential buildings. It is our understanding that FCRC has made a commitment to the Service Employees International Union, 32B-J, that these jobs would be union jobs at the prevailing wage (currently $18.57 per hour, plus a benefits package worth over $4 per hour). The average wage range would be $33,000 - $40,000. These jobs would therefore likely be, by far, the best lower-skill jobs available within the project, and among the best blue collar jobs being created in Brooklyn.

Net new jobs

It should be kept in mind that, with the exception of the Arena and the construction jobs, a portion of the other jobs connected to this project would result from a shift from other locations in Brooklyn or the region. That is, not all of the office or retail jobs will be net, new jobs for the city. For example, Zimbalist assumes in his base case, that only 60% of the office jobs would be new to New York State (although we believe this is an unrealistically high estimate), and Kim and Peebles assume that only 50% of the retail jobs would be new. If 6,000 (or 53.7%) out of the 11,175 jobs were new jobs, this would amount to about a 1.3% increase in Brooklyn’s current job base of roughly 450,000 jobs.

8 - Fiscal Impacts

The three main components of the BAY project are the Arena, office and commercial space, and residential units. While full accounting of the total value of the subsidies for the project is essential for a meaningful fiscal impact analysis, there are specific subsidy-related issues for each of the three components.

Using low estimates of the public subsidy, even the FCRC economic consultant concluded that by itself, the Arena would be a money-loser for the City and State. This is the case for most, if not all, government-subsidized professional sports facilities in the country.

There are several large-scale office projects in various stages of development throughout NYC, including a major one in downtown Brooklyn. In this context, public subsidies to another real estate development project with a significant office component
should be carefully considered. Recent newspaper accounts suggest that the developer is considering increasing the number of housing units over office space. The value of housing subsidies allocated for the project would depend on whether the number of affordable units would be increased with this proposed change.

Comments on Two Studies of the Fiscal Impact of the Proposed Brooklyn Atlantic Yards Project

In support of the proposed project, Andrew Zimbalist, Smith College economics professor, released a study on May 1, 2004. In opposition to the Brooklyn Arena and related development, Jung Kim and Gustav Peebles released a study on June 21, 2004. The two studies offer widely divergent estimates of the project’s net fiscal impact: Zimbalist estimates there will be a net present value tax benefit to the City and the State of $870 million; Kim and Peebles place the net effect at a loss of up to $506 million. The difference in the two estimates approaches $1.4 billion.

Estimation Differences

The difference in the two fiscal impact estimates largely comes down to four elements:

- Different assumptions for residents’ income and sales taxes that are $300 million apart;
- Different assumptions for the value of the railyards and the rent that FCRC would pay that result in differences of $425 million;
- Different assumptions about the cost of covering the LIRR yards that are $138 million apart; and
- Different assumptions regarding the cost of new school facilities to accommodate additional area students from the residential development that are nearly $300 million different.

The two studies make different assumptions in seven other areas where the differences total about $150 million.

There are some aspects of such projects, such as whether or not significant new school facilities will be needed and the cost of substantial long-term traffic and transit mitigation, that are inherently difficult to project and about which there may be considerable difference in attempting to gauge the fiscal impacts. On the other hand, for major cost issues that are integral to a project – such as the value of the railyards and the cost of constructing a platform over the rail yards – the developer and the City and State governments have a responsibility to provide realistic estimates and/or assurances about
the extent of public costs. Without this information, informed public consideration of such a project is not possible.

The FCRC proposal, Zimbalist claims, is different from other sports facilities projects for two reasons: (1) since the acquisition of the Nets involves a move across state borders, NYC and NYS stand to capture tax benefits that now flow to New Jersey; and (2) the FCRC project is not a standalone arena, but a large-scale, mixed-use project that involves, in addition to the Nets Arena, housing, office and retail space.

Zimbalist concludes that the FCRC project, after covering publicly-borne capital and operating costs, will produce a net benefit to the City and State treasuries of $812.7 million (present value terms). However, by far, the largest source of projected revenues ($896.6 million, or 57.9% of the total of $1.5 billion in revenues), is in personal income and sales taxes based on the incomes of the new residents of the housing component. Without these housing-related tax flows, Zimbalist’s estimates show that the balance of the FCRC project is a money-loser to the City and State treasuries, i.e., the only way the FCRC proposal overall makes fiscal sense is by including tax revenues from the housing component.

Major Flaw in Both Studies

These two studies share a major methodological flaw in that they both count the positive fiscal effect of the income of the residents who will occupy the 4500-unit residential development. While the two studies make different assumptions about the likely income of new residents, (Zimbalist assumes an average income of $80,000; Kim and Peebles assume and average of $50,000 to $60,000) both give the overall project credit for the income of new residents, and for the local and state tax revenues that such incomes would generate.

This is a very problematic assumption, tantamount to assuming that residents bring their own jobs to the City when they move in to a new housing unit. While residents who are new to the City will add to the City’s labor supply, unless they are self-employed, they do not “create” their own jobs. If the City started to give housing projects “credit” for the creation of jobs held by their residents, a double counting problem would result since the city routinely gives businesses “credit” for expanding employment or relocating jobs to NYC and this then often enters into the fiscal “score-keeping” for economic development projects receiving City (and State) subsidies.
It is even possible that, if the new housing were entirely occupied by existing City residents, the BAY residential project would generate zero new City and State income taxes.

(However, to the extent residents’ City income taxes are used for paying for public services, such as sewage and sanitation, if people move from another part of the City to the BAY project, there will be a reduction in the costs of providing those services in those areas.)

**What’s Missing in These Two Studies that the Public Needs to Know to Form an Adequate Understanding of the BAY Project?**

For the public to make a well-informed decision regarding the desirability of the proposed $2.5 billion BAY project, accurate and clear information needs to be presented on all of the public subsidies involved in the project as well as the public expenditures that will be required.

**Public Subsidies and Expenditures**

Estimated public subsidies for the proposed project range from $200 million to over a billion dollars. This would vary depending on a number of things, including the specific mix of residential and office/commercial space ultimately developed, and more importantly, the price paid for the development rights over the railyards. A total of $100 million has been earmarked for the project in the City’s Capital Budget for fiscal years 2005 and 2006.

An official list of subsidies and their dollar values have not been provided by either the City or the developer. The Independent Budget Office, which agreed to conduct an assessment of the public costs of the project, has been unable to proceed due to lack of detailed financial information.

The value that the MTA will receive for the development rights over the railyards is a critical issue in its own right. MTA chairman Peter Kalikow has said that any negotiations over the Atlantic Yards will be on hold until the Hudson Yards case is resolved. (In a significant turnaround of events, Chairman Kalikow announced on February 15 that the railyards on the Far West Side would go through a RFP process, after a year of negotiations with the Jets. Transit advocates and stadium opponents have argued that it would be unconscionable for the MTA to give the land away to the Jets at a low price, particularly now when its is desperately in need of cash just to keep its vast net-
According to local elected officials, Chairman Kalikow has indicated that the MTA will accept multiple offers for the Brooklyn Atlantic Yards as well.

**Full accounting of all public subsidies**

A conservative estimate of total subsidies would easily pass the $1 billion mark. We consider only the subsidy side here, not the revenue side.

The total subsidies that will ultimately be involved could far exceed the amounts considered so far. The summary estimate below has been compiled from news accounts, background information about State and City subsidy programs, and the two studies referred to in the preceding section.

It includes:

- Land cost savings (if the land is transferred at a below-market price, which could be prevented by accepting multiple offers)
  
  Kim & Peebles: $102.9 million - $440.5 million

- Public contribution to Arena debt service payments
  
  Zimbalist: $540 million

- Infrastructure
  
  Zimbalist: $187.7 million
  
  Kim & Peebles: $238.1 million - $275.7 million

- Public Services
  
  Zimbalist: $241.1 million
  
  Kim & Peebles: $545.7 million

- Commercial tax breaks

  **Not calculated in either study**

  It is not clear if the City is contemplating offering tax breaks to office and retail tenants of the proposed commercial buildings, as the Mayor recently proposed for Lower Manhattan.
If no Industrial and Commercial Incentive Program benefits were available, using Zimbalist’s assumptions about property value, the project would pay about $618 million (nominal) in property taxes over the next 30 years.

- Affordable housing subsidies

**Not calculated in either study.**

The developer, ACORN, and the NYC Department of Housing Preservation and Development (HPD) have reportedly been negotiating over potential NYC housing subsidies for the affordable component of the project. Some features of the program suggest that the Mixed Income Housing program (also known as the 50/30/20 program) of the New York City Housing Development Corporation (HDC) would be applied. However, the income range described in the CBA does not exactly match that of the City’s 50/30/20 program. The CBA would target the 50% affordable units to a somewhat lower range of households than those allowed by the program normally (although the NYC Department of Housing Preservation and Development reports that the actual incomes of residents of existing buildings subsidized by comparable programs comes close to those proposed by the CBA, even though higher-income households are allowed in those buildings). It is not clear whether the City would provide additional subsidy to target lower-income households. The 50/30/20 program allows for a subsidy of up to $45,000 per unit for the low, moderate, and middle income units. If this subsidy were offered for 2,000 units, the direct subsidy would be $90 million. However, HDC normally has a cap of $7.5 million per project (although this has been exceeded on some large-scale projects in the past), so it is not clear how the subsidy would be handled.

In addition to this direct subsidy, the residential component of the project would also benefit from tax-exempt bond financing, and from a tax exemption under the City’s 421-a real property tax exemption program. The tax-exempt bond financing does not have a direct cost to the City, since it is provided as part of a federal allocation of tax-exempt financing to New York City. However, the City regularly uses up the full portion of tax-exempt bond financing allocated to affordable housing. The City must take care to ensure that sufficient tax-exempt bond financing is available for eligible projects throughout the city.

All 4,500 residential units would be eligible for a 25- year tax exemption under the City’s 421-a real property tax exemption program. The
Independent Budget Office has estimated that the average lifetime cost of these exemptions is $31,271 per unit. This would result in lost tax revenue of $142 million (not discounted) over the 25-year life of the exemption.

(For details, see Appendix I for chart summarizing both studies’ findings as well as “unknown quantities,” i.e., likely subsidies not taken into account by either study.)
Prior to the Forest City Ratner Companies proposal, there was no active public planning process or significant discussion about potential uses of the Brooklyn Atlantic Yards site. While there had been many years of planning for the Atlantic Center Terminal projects, as part of the Atlantic Terminal Urban Renewal Plan, there were no meaningful plans in place for the Brooklyn Atlantic Yards site. None of the relevant public players – the MTA, the City of New York’s Department of City Planning, or any of the elected officials – had advanced proposals or principles for the use of the site. Nor had there been any community planning process to establish development goals.

The developer, FCRC, unveiled the master plan for the BAY project in December 2003 and issued a press release on January 21, 2004 announcing intent to develop the Brooklyn Atlantic Yards. The project was met by many elected officials, including Mayor Bloomberg, Governor Pataki, and Borough President Markowitz, as the sole proposal for the site. However, since that time, while there has been extensive press coverage of the project, the first official step, a Memorandum of Understanding (MOU) between the developer, the City and the State was signed on March 3, 2005.

We contacted the developer and relevant city agencies to obtain information on the public review process, before the MOU was signed. FCRC has not responded. The Brooklyn Borough President’s Office said that the developer was expected to enter into a MOU with the City (Economic Development Corporation, EDC) and the State (Empire State Development Corporation, ESDC), but did not provide details about the content of the MOU. The MOU will initiate a process for scoping and developing the Environmental Impact Statement (EIS). Borough President Marty Markowitz recently convened community organizations at two meetings (before the MOU was signed) asking them to provide input for the EIS scoping.

According to published accounts, ESDC is expected to be the project’s public sponsor, and the lead agency for the public review process. A recent letter from ESDC counsel Anita Laremont to the District Manager for Community Boards 2, 6 and 8, which was written before the MOU was signed, stated that while the agency had met with the developer to discuss the proposed project, it was still premature to say anything. (A copy of the letter from ESDC counsel Anita Laremont describing ESDC’s possible role in the proposed project is available at http://www.nolandgrab.org/images/esdcletter2.html)
If ESDC serves as lead agency, our best understanding of the next steps would involve the following:

**State Level**

- The ESDC would adopt a General Project Plan (GPP) that draws out the primary physical and financial components of the project.
- The ESDC would hold a public hearing on the GPP.
- After the hearing on the GPP and a statutorily required comment period, the ESDC board would affirm, modify or withdraw the GPP.
- The proposed project would require ESDC to comply with the State Environmental Quality Review Act (SEQRA). SEQRA would mandate an Environmental Impact Statement (EIS) that would provide opportunities for public review.
- For the FCRC plan, additional privately held land would also have to be acquired in order to build the development as proposed. If some of these property owners refuse to sell, ESDC would have to acquire property by condemnation, and the project would be subject to the Eminent Domain Procedure Law (EDPL).
- If ESDC acquires an interest in real property and/or constructs the project and/or finances it, it would, in addition, need to be approved by the Public Authorities Control Board and win the support of the local municipality. Municipal support, however, does not have to be achieved through municipal project review.

**City Level**

- Discrete actions like demapping of streets may require ULURP, but overall the plan is largely expected to bypass the more rigorous City review process.

In a separate agreement with the MTA, the developer has agreed to pay fair market value for the railyards. The MTA has said that it reserves the right to accept multiple offers. If multiple offers are considered, it could substantially alter the process of public review and comment.
1 - ALTERNATIVE PLANS

Until there is clarity about the process that the MTA will use to consider offers for the Brooklyn Atlantic Yards site, it is difficult to determine how meaningful various alternative proposals are.

We believe that the MTA should accept multiple offers for the site, and that these offers should be evaluated based on:

- Balancing the need to maximize value for the MTA with community goals and broader public purpose. The bidding process should be genuine, so that it is conducive to thoughtful planning.
- Proceeding from community input before rezoning for future development, so that the goals of residents and businesses within the site and its neighbors will be better considered.
- Prioritizing affordable housing and good jobs for Brooklyn residents.

The following is a summary of several alternatives that have been discussed:

No-Build Alternative

The Brooklyn Atlantic Yards would continue to be used as a rail storage yard and the remaining site would remain as is.

Unity Plan / Atlantic Yards Development Workshop Proposal

Headed by architect Marshall Brown and Councilwoman Letitia James, the Atlantic Yards Development Workshop (AYDW) is a group of architects, government officials, developers and citizens who worked collaboratively on an alternative to the proposed FCRC plan. The Unity Plan proposes development of the 11-acre railyard by dividing it into multiple plots for commercial and residential development by smaller developers and community groups, but removes the concept of a sports arena from the proposal. It would have 60-70 percent of the density of the FCRC plan in terms of square footage and maintains the scale and fabric of the surrounding neighborhoods. However, the proposal is not yet backed by any specific financing or development plan.
(For more details and a comparison of the AYDW plan with the FCRC plan see Appendix II.)

**Alternative Siting Possibilities for the Arena**

At Atlantic Center: Joel Towers, an architect and director at Parsons School of Design, presented two alternatives for how a sports Arena could be developed in the area without requiring eminent domain. One sited the sports Arena over Atlantic Avenue. FCRC is on record as opposing the plan because of terrorism-related safety issues with uncontrolled vehicular access beneath the stadium. The second alternative showed how FCRC could construct a stadium on the sites currently occupied by Atlantic Center and Atlantic Terminal. This plan would require FCRC to demolish their existing retail and office buildings and to realign Atlantic Avenue around the project.

Brooklyn Navy Yard: Representative Major Owens described a proposal that would site the Nets Arena at the Brooklyn Navy Yard. The Brooklyn Navy Yard, which is managed by the Brooklyn Navy Yard Development Corporation (BNYDC), is currently one of the only available sites for the expansion of manufacturing and food processing facilities in the City, and has a strong industrial tenant base with annual rent revenues nearing $18 million. The BNYDC envisions the Navy Yard as a crucial contributor to the City’s efforts to retain local industry. Although prominently visible from Manhattan, and easily accessible by the BQE and Manhattan and Brooklyn Bridge, the Navy Yard is not served by public transportation. BNYDC currently has no plans to accommodate a public sports arena, and reports that vacancy rates for the Navy Yard are very low.

### 2 - Alternative CBA

The Downtown Brooklyn Leadership Coalition (DBLC), a coalition of African-American clergy (including ministers from Hanson Place Central United Methodist Church, Brown Memorial Baptist Church, Church of the Open Door, Brooklyn Christian Center, and Emmanuel Baptist Church) has been working independently on their own model for a CBA.

Their draft CBA focuses on economic opportunities for local African-American and Hispanic residents and contractors, including living wage jobs with health benefits, housing and other services, as well as an ongoing role in decision-making and monitoring. Provisions include:
• **Eminent Domain** - Statement in principle that Eminent Domain should not be abused.

• **Participation and Inclusion** - Statement in principle that the project should “provide and ensure” opportunities for investment in and ownership or co-development of properties for local African-American entrepreneurs.

• **Employment** - Statement that the development should target job opportunities to adjacent communities (including specific neighborhoods and housing projects that face extremely high unemployment), should implement a Project Labor Agreement, and should work with the Trades Council, the Community Coalition for Fair Development and others towards the creation of a school for construction management, facilities management, construction technology and entertainment technology.

• **Contractors** - Statement that the project will 1) create opportunities for local African-American Construction Managers through a series of principles including a 50% set-aside of all contracting opportunities for African-Americans and other People of Color, notifying local African-American businesses of contracting opportunities, assistance with bid preparation, local contract awards, and breaking larger contracts down into smaller ones; 2) ensure that local African-American contractors participate in all phases of development; 3) ensure that participating contractors are chosen from a list of agreed upon African-American contractors.

• **Service Contracts** - Statement that the project will provide preferential opportunities to African-American service contractors (banking, insurance, media, accounting, marketing, legal, engineering, etc.) vendors and new entrepreneurs.

• **Fair Housing** - Statement that the developer should ensure that its proposed 5,000 units of housing retain the current composition of the community and enhance opportunity for economic integration. A housing formula of 25/50/25 (Low/Moderate/Market) is suggested with rents linked to median family income for affected community board districts. A set aside for seniors and individuals with disabilities should be included. The developer should work with the community to refine criteria.

• **Children’s Zone** - Statement that the developer should work with local leaders to create a Children’s Zone with childcare, educational, sports and recreational facilities.

• **Use of Venue/Arena** - Statement that the developer and owner of the Arena should host community programs and events sponsored by local churches and community groups.
• **Quality of Life** - Developer agrees to reduce environmental impacts, mediate potential traffic issues, and fund health-related studies.

• **Community Development Investments** – Statement that the developer should invest or lend money to Community Development Financial Institutions, support programs to help low income residents become homeowners, promote and participate in community financing initiatives, and seek banking services from commercial banks with majority African-American ownership (i.e., Carver Bank).

• **Seat at the Table** - The developer agrees to an open and democratic process, e.g., by submitting any proposals to review by a combined oversight panel of Community Boards 2, 6, and 8.

• **Monitoring and Enforcement** - Statement that the developer shall accept the creation of a contract compliance mechanism established by the Downtown Brooklyn Leadership Coalition, officers of which should have the power to oversee and enforce the CBA.

On September 30, 2004, the DBLC presented their draft CBA document at a community meeting attended by FCRC representative Jim Stuckey. Stuckey emphasized that the DBLC was invited to participate in the on-going negotiations, which he said addressed most if not all of the elements included in the DBLC document.
“Great urban planning incorporates many different uses into a cohesive neighborhood – and truly great urban planning invites the public to participate in the space, whether they work there or live there or they’re drawn there to visit.”

Bruce Ratner, Forest City Ratner Companies Chairman & CEO, at the unveiling of the plan for Brooklyn Atlantic Yards, December 2003.

We do not believe that the Brooklyn Atlantic Yards project is a model of great urban planning.

Great urban planning is not only cohesive internally; it is cohesive with its surroundings. It reinforces the fabric of neighborhoods, rather than turning inward on itself.

Great urban planning includes an open and transparent planning process that allows for meaningful civic participation, so that the costs and benefits of development are accurately accounted for and fairly shared by all stakeholders. It involves genuine community input and participation, before all of the important decisions are made, especially where eminent domain is being considered to take away people’s homes.

And great planning requires that critical information – such as data on traffic impacts and public subsidies – be provided in a clear and timely fashion. Unfortunately, none of that has been the case in FCRC’s proposal for BAY.

We recommend the following steps to improve the planning process:

- An open and genuine bidding process for the LIRR Yards that will balance the need to maximize value for the MTA with community goals of affordable housing, good jobs, neighborhood-serving retail and improved public education.

- A comprehensive traffic impact analysis for the project, in the context of Brooklyn’s broader transportation needs.

- Full accounting of public subsidies, including tax breaks and the public costs for mitigating potential traffic impacts.

- A public review process that is clear rather than shrouded in uncertainty, and that provides real opportunities for people to review information and raise questions that will be considered by both the developer and public officials.

Despite our deep reservations about the process, we are encouraged by the possibility that the FCRC proposal offers a substantial amount of affordable housing and some good jobs for low-income Brooklyn residents. Large-scale development projects of this type
in New York City too rarely include these types of benefits. While we believe that there must be an open process for the MTA to accept offers for the site, we would not be happy to see a development which included solely market-rate, luxury housing development (the use which would likely produce the highest price to the MTA) with a small number of jobs in relatively low-wage retail stores.

Forest City Ratner’s proposal would create a significant amount of affordable housing across a meaningful range of incomes, in a city facing a dire affordable housing crisis. And it would create some good jobs in a borough that needs them badly.

At the same time, however, critical community concerns have been omitted in the proposed Community Benefits Agreement, including quality of neighborhood public schools, job quality and career development, and neighborhood services including traffic and public safety. If the BAY project does move forward, we therefore recommend that it include:

- Significant investments to improve the quality of local public schools. The project offers the opportunity to go beyond standard mitigation steps, and to build on new models from around the country, to ensure that the influx of higher income new residents results in better educational opportunities for the wide range of families in the neighborhood.

- A plan for addressing traffic impacts that goes far beyond the usual approaches to traffic calming. Such an approach might include improved rapid transit (e.g. European-style bus rapid transit, trolleys, or light rail) and congestion pricing (e.g. reduced-price tickets for users of public transportation).

- Adequate investment to maintain and improve the quality of other neighborhood services, such as police and fire.

- Improved street circulation, particularly through retail siting and public space, that would make the development less inward-looking, and better integrated into the surrounding community.

- A more comprehensive plan to provide opportunities for career advancement for individuals that secure low-wage jobs in the development – perhaps via an on-site center funded by the developer and tenants that would offer relevant job training, career development planning, internal referrals for progressively better positions, and information on financial literacy and asset-building opportunities.

We hope that this report will help people to understand and evaluate the proposed project. We hope even more that, in the months to come, there will be a better dialogue and planning process for a critical site at the heart of Brooklyn.

2 Forest City Ratner Companies, http://www.bball.net/

3 Peter Krashes, President, Dean Street Block Association, email communication, March 5, 2005.

4 Forest City Ratner Companies, http://www.bball.net/


10 Data in this section from U.S. Census, 1990 and 2000, unless noted otherwise.

11 Data in this section from: Dennis Previti and Michael Schill, “State of New York City’s Housing and Neighborhoods, 2003,” Furman Center for Real Estate and Urban Policy, School of Law and Wagner School of Public Service, New York University, unless noted otherwise.

12 ibid, borough tables 1-4 and 1-6.

13 Sub-borough areas are defined for purposes of the New York City Housing and Vacancy Survey. This report is concerned with sub-borough areas 202 (which includes Fort Greene and Brooklyn Heights), 206 (which includes parts of Park Slope and Carroll Gardens), and 208 (which includes Prospect Heights and parts of Crown Heights). These three areas extend well beyond the boundaries of the Study Area for this report. Data aggregated and reported at this level should be used cautiously.

14 These are units affordable at an annual income of $20,000, assuming a rent-income ratio of 30%.

15 “Rent burden” is defined here as a rent-income ratio in excess of the federal standard of 30%.

16 The weighted average household size is slightly lower than the borough-wide median household size and slightly higher than the 2.1 persons per household proposed by the Kim/Peebles study (Jung Kim and Gustav Peebles, “Estimated Fiscal Impact of Forest City Ratner’s Brooklyn Arena and 17 High Rise Development on NYC and NYS Treasuries,” June 21, 2004.)
Develop Don’t Destroy Brooklyn, http://www.developdontdestroy.org/


Based on conversations with tenant advocates and the NYC Department of Housing Preservation and Development.


Gayle D’Ambrosi, School Secretary, M.S. 340, telephone interview, February 28, 2005.

Forest City Ratner Companies, http://www.bball.net/


Develop Don’t Destroy Brooklyn, http://www.developdontdestroy.org/


Zimbalist and Kim and Peebles use a 7,600 figure for office jobs, but FCRC says 10,000 based on 2.1 million square feet and an average of 210 square feet per office worker, the ratio that FCRC says prevails at Metrotech. However, according to FCRC, the Bank of New York facility houses 1,300 workers, or one job per 240 square feet. (Andrew Zimbalist, “Estimated Fiscal Impact of the Atlantic yards Project on the New York City and New York State Treasuries,” May 1, 2004.)

Zimbalist did not have an estimate of retail jobs, Kim and Peebles used a 1,250 estimate.

Zimbalist uses 800, but FCRC press material says 400.
Many of us have often questioned even this practice on the part of the city since there is almost never a serious analysis that shows that the economic development would not have happened “but for” the public subsidy.


Meghan Clyne, “In Blow to Mayor, the MTA Puts Up Air Rights for Bid,” The New York Sun, February 16, 2005.


Zimbalist; Kim and Peebles.


Gib Veconi, Prospect Heights Neighborhood Development Council; telephone interview, February 11, 2005.


Town Hall Meeting organized by the Downtown Brooklyn Leadership Coalition at the Hanson Place Central United Methodist Church, September 30, 2004.

Forest City Ratner Companies, http://www.bball.net/
**Data Sources for Maps**

**Map 1 - Project Context**
Bytes of the Big Apple, NYC Department of City Planning
Lotinfo 2003, Spacetrack, Inc.

**Map 2 - Existing and Proposed Site Plan**
Bytes of the Big Apple, NYC Department of City Planning
Lotinfo 2003, Spacetrack, Inc.

**Map 3 - Existing Land Use**
Bytes of the Big Apple, NYC Department of City Planning
Lotinfo 2003, Spacetrack, Inc.
NYCMap, NYC Department of Information Technology & Telecommunications
http://www.bball.net/

**Map 4 - Schools and Childcare**
Bytes of the Big Apple, NYC Department. of City Planning
Selected Facilities and Program Sites, 2003, NYC Department of City Planning

**Map 5 - Police and Fire Services**
Bytes of the Big Apple, NYC Department of City Planning
Lotinfo 2003, Spacetrack, Inc.

**Map 6 - Open Space**
Bytes of the Big Apple, NYC Department of City Planning
Lotinfo 2003, Spacetrack, Inc.
NYCMap, NYC Department of Information Technology & Telecommunications
http://www.myciti.org/

**Map 7 - Transit**
Bytes of the Big Apple, NYC Department of City Planning
## Estimated Public Costs of BAY Project

<table>
<thead>
<tr>
<th>Description</th>
<th>Zimbalist study</th>
<th>Kim/Pebbles study</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land cost savings</td>
<td>Not calculated</td>
<td>$102.5 ml to $140.5 ml</td>
<td>Difficult to determine market value without an open bidding process.</td>
</tr>
<tr>
<td>Possible discount on MTA development rights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of eminent domain land interests</td>
<td></td>
<td></td>
<td>Includes value of land and any relocation costs paid by the state.</td>
</tr>
<tr>
<td>Ground rent discount</td>
<td>Zimbalist does not calculate discount, but his own figures are based on ground rent for Bushwick of New York of $1.70 per sq ft.</td>
<td>$87.8 ml to $425.4 ml</td>
<td></td>
</tr>
<tr>
<td>Street publicization - uncontrolled lots</td>
<td></td>
<td>$15.1 ml</td>
<td></td>
</tr>
<tr>
<td>Public Contribution to Arena Financing</td>
<td>$948 ml</td>
<td>Not calculated</td>
<td>Deputy Mayor David Dinkins stated at a 9/28/04 Press Breakfast that the city would pay only for infrastructure, not for arena construction. It is unclear how this relates to Zimbalist's projections about city and state-backed arena bonds.</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$187.73 ml (Combined NPV of debt and infrastructure given at $468.84 ml - discounted at 5.3% for 30 years)</td>
<td>$273.1 ml to $275.7 ml</td>
<td>On November 13, 2004, Deputy spokesperson for Speaker George Amedore, said that Infrastructure costs (waste, sewers, etc.) would likely be $150 million, bringing the total project cost to $3.4 billion. (Brooklyn Eagle article, Dec. 4, 2004).</td>
</tr>
<tr>
<td>Planners over real property; buyout of future revenues</td>
<td>Not calculated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate prices and possible additional subsidy and public maintenance</td>
<td>Not calculated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arena maintenance and renovation</td>
<td>Not calculated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Services</td>
<td>$244.9 ml (calculated at a 21.9 ml with a 10% contingency added)</td>
<td>$449.2 ml</td>
<td></td>
</tr>
<tr>
<td>Schools</td>
<td>$201.6 ml</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-educational services</td>
<td>$51.4 ml</td>
<td>$252.7 ml</td>
<td></td>
</tr>
<tr>
<td>Residential sanitation</td>
<td>$1.4 ml</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial sanitation</td>
<td>Not calculated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NYPL/BKLYN</td>
<td>$92,352 ml (new non-edifice)</td>
<td>$1,053,582 ml and $6,000,000</td>
<td></td>
</tr>
<tr>
<td>National theatres</td>
<td>Not calculated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial tax breaks</td>
<td>Not calculated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial &amp; Commercial Incentive Program (ICIP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings on discounted financing for utilities</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Possible diverted revenue from arena sales taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary PLUT savings for commercial buildings</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Discretionary sales tax exemptions for commercial buildings</td>
<td></td>
<td></td>
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<tr>
<td>Discretionary mortgage revenue for commercial buildings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary energy savings for commercial buildings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Subsidies</td>
<td>Not calculated</td>
<td>Not calculated</td>
<td></td>
</tr>
<tr>
<td>HDC financing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing tax credits (21c-1 and property tax exception program)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HPD's affordable housing</td>
<td>$600.44 ml</td>
<td>$886.7 ml to $1,261.9 ml</td>
<td>Over $1 billion</td>
</tr>
</tbody>
</table>

**TOTAL PUBLIC COSTS** $6,954 ml $8,986.7 ml to $12,619.9 ml

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**APPENDIX**

**PRELIMINARY PLANNING ANALYSIS**

**BROOKLYN ATLANTIC YARDS**
Unity Plan/Atlantic Yards Development Workshop (AYDW) proposal

The AYDW proposal, which does not yet provide a financing/development plan, covers only those blocks that are currently controlled by the MTA. Even within the MTA land, it recommends the preservation and adaptive re-use of several existing commercial buildings, for use as a community or education center. No existing residents would be displaced by development.

Key plan elements include:

- The plan achieves 60% -70% of the density of the FCRC Brooklyn Atlantic Yards proposal, while maintaining an average building height of ten stories.
- 2,300 units of housing.
- A total of up to 600,000 square feet of retail and commercial space.
- New street extensions to link Fort Greene to Prospect Heights and Park Slope.
- New public amenities, including a recreation center, a new school and daycare.
- A green public walkway winds through the plan, roughly parallel with Atlantic Avenue. At the center of the site, between pedestrian-only extensions of South Oxford and Cumberland Streets, the plan provides for a landscaped park that opens on to the existing buildings identified for adaptive re-use.

<table>
<thead>
<tr>
<th>Land Use</th>
<th>FCRC BAY Proposal (est.)</th>
<th>AYDW Proposal (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arena</td>
<td>800,000 sf, with public recreational facilities above (20,000 seat max.)</td>
<td>No Arena</td>
</tr>
<tr>
<td>Commercial</td>
<td>307,000 sf</td>
<td>600,000 sf of at-grade retail</td>
</tr>
<tr>
<td>Office</td>
<td>2.1M sf, tallest tower at a height of 620 ft</td>
<td>Minimal office space provided, with priority for community and educational facilities.</td>
</tr>
<tr>
<td>Residential</td>
<td>4,500 units; 4.4M sf, buildings ranging from 180-400ft high</td>
<td>2,300 units. Residential structures, not to exceed a height of 120 ft (approx.).</td>
</tr>
<tr>
<td>Parking</td>
<td>3,000 cars</td>
<td>1,110 cars</td>
</tr>
<tr>
<td>Open Space</td>
<td>6 acres, primarily in private spaces between residential buildings.</td>
<td>Green public walkway, roughly parallel to Atlantic Avenue and a landscaped public park.</td>
</tr>
<tr>
<td>Residential Displacement</td>
<td>Estimates vary between 250 and 1,000 affected residents. (140 apartments)</td>
<td>No residential displacement. Development over MTA-controlled lands only.</td>
</tr>
<tr>
<td>Street Grid</td>
<td>Requires that two City streets be de-mapped to create three larger development sites.</td>
<td>Local street grid of Fort Greene is extended across the rail yards, creating smaller blocks with more street frontage.</td>
</tr>
</tbody>
</table>
The Pratt Institute Center for Community and Environmental Development works for a just, equitable, and sustainable city for all New Yorkers, by empowering communities to plan for and realize their future. As part of Pratt Institute, we leverage professional skills – especially planning, architecture, and public policy – to support community-based organizations in their efforts to improve neighborhood quality-of-life, attack the causes of poverty and inequality, and advance sustainable development.

This report is part of our *Planning for Equitable Development* initiative. Through this initiative, we seek to insure that the costs and benefits of economic and real estate development in New York City are fairly shared – especially in low-income and disenfranchised communities, which often bear the brunt of development without benefiting much from it. We want to see development that includes affordable housing, good jobs and targeted workforce development strategies, improvements to public schools, open space and community facilities. We also believe that development (especially when it uses public subsidies) should be planned in a manner that is accountable, transparent, fair, and open to the participation of residents of the area.

More information on the Pratt Center is available at www.picced.org.

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