

September 16, 2005

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a EMPIRE STATE DEVELOPMENT CORPORATION**

**COMBINED NOTICE OF PROPOSED LEAD AGENCY DESIGNATION, PUBLIC SCOPING
AND INTENT TO PREPARE A DRAFT ENVIRONMENTAL IMPACT STATEMENT**

Atlantic Yards Arena and Redevelopment Project

This combined notice is issued pursuant to and in accordance with 6 NYCRR Part 617 and Article 8 of the Environmental Conservation Law. The New York State Urban Development Corporation, d/b/a Empire State Development Corporation (ESDC), proposes to serve as lead agency for the environmental review process to be carried out under the New York State Environmental Quality Review Act (SEQRA) and its implementing regulations in connection with the proposed Atlantic Yards Arena and Redevelopment Project in Kings County, New York.

The proposed project, which ESDC has determined to be a Type I action, involves the development of a major mixed-use development in the Atlantic Terminal area of Brooklyn by the Atlantic Yards Development Company, LLC and Brooklyn Arena, LLC (Project Sponsors). The project entails the construction of an arena for use by the Nets professional basketball team, as well as residential, office, retail, hotel, open space, and parking uses. The project development would occupy an approximately 22-acre area, roughly bounded by Flatbush and Fourth Avenues to the west, Vanderbilt Avenue to the east, Atlantic Avenue to the north, and Dean Street to the south. The affected parcels include: Block 927: Lots 1, 16; Block 1118: Lots 1, 5, 6, 21-25, 27; Block 1119: Lots 1, 7, 64; Block 1120: Lots 1, 19, 28, 35; Block 1121: Lots 1, 42, 47; Block 1127: Lots 1, 10-13, 18-22, 27, 29, 30, 33, 35, 43, 45-48, 50, 51, 54-56, 1001-1021, 1101-1131; Block 1128: Lots 1, 2, 4, 85-89; and Block 1129: Lots 1, 3-6, 13, 21, 25, 39, 43-46, 49, 50, 54, 62, 76, 81.

The development program at full build-out includes approximately 628,000 gross square feet (gsf) of commercial office space, 196,000 gsf of hotel use, 256,000 gsf of retail and community facility space, up to 7.2 million gsf of residential use (approximately 7,300 residential units), approximately 4,000 parking spaces, more than 7 acres of publicly-accessible open space, and the proposed 850,000 gsf arena, which would accommodate 18,000 to 20,500 seats and provide approximately 1 acre of privately-accessible open space on the roof. The proposed project would also provide community facilities, including a health care center and an intergenerational community center offering child care and youth and senior activities. As part of the proposed project, a portion of the parcel identified as Site 5 of the Atlantic Terminal Urban Renewal Plan would be developed with approximately 356,000 gsf of residential use and 347,000 gsf of office use in addition to the existing approximately 47,000 gsf of retail.

In order to provide flexibility in the development plan to allow the Project Sponsors to meet potential future demand for office space, the proposed project also contemplates a variation in the uses for Tower 1, Tower 2 and Site 5, such that the mixed and residential uses planned for these buildings would be devoted to commercial use. The proposed build program is anticipated to be developed in two phases. The Project Sponsors anticipate that the arena block and Site 5 would be completed by 2009 as Phase I of the project, and that the remainder of the program would be completed by 2016 as Phase II of the project.

The proposed project would result in the complete redevelopment of the existing Long Island Rail Road (LIRR) Vanderbilt Rail Yard, which is bounded by Atlantic, Fifth, and Vanderbilt Avenues and Pacific Street. Under the proposed project, the arena will be built on a portion of the site that is currently occupied by the Vanderbilt Rail Yard, and a reconfigured and upgraded yard will be built below the surrounding street grade. A staged scheme will be developed to provide a temporary storage yard on Block 1121 prior to completion of the new yard in order to allow the LIRR rail yard operations to continue during the construction of the arena.

The proposed project also entails a number of permanent roadway closures and vehicular and pedestrian circulation improvements including: closures of Pacific Street between Flatbush Avenue and Sixth Avenue and between Vanderbilt and Carlton Avenues, Fifth Avenue between Flatbush and Atlantic Avenues; widening Flatbush Avenue at Atlantic Avenue, Atlantic Avenue between Flatbush and Sixth Avenues, Sixth Avenue between Atlantic and Flatbush Avenues, and Pacific Street between Sixth and Carlton Avenues; widening the sidewalks along the south side of Atlantic Avenue from Flatbush Avenue to Vanderbilt Avenue; and building a new subway entrance to the Atlantic Terminal subway station at the corner of Atlantic and Flatbush Avenues.

It is anticipated that ESDC, in consultation with the City of New York (City), will: override the New York City Zoning Resolution with respect to use, bulk, (including height, setback, and floor area), signage, parking, and other requirements; the Atlantic Terminal Urban Renewal Plan as it relates to Site 5 and 6A; and the City Map to discontinue or acquire City streets. It is also anticipated that ESDC will acquire property through negotiation or condemnation and subsequently dispose of the property to the Project Sponsors or a local development corporation. The proposed action will also involve: condemnation by ESDC or disposition by the City of the City's interest in Site 5 and other City-owned property within the project site; Metropolitan Transportation Authority (MTA) disposition of a property interest in the Vanderbilt Rail Yard to ESDC, the Project Sponsors or a local development corporation; MTA approval of the upgraded LIRR rail yard, any related acquisitions by LIRR or MTA, and other transit improvements; Public Authorities Control Board approval; and provision of state and city funding for affordable housing and other project elements and tax exempt financing.

After considering the actions contemplated and reviewing the Environmental Assessment Form (EAF) prepared for the project and the criteria for determining significance in the SEQRA regulations (6 NYCRR 617.7(c)), ESDC finds that the proposed action may have a potential significant effect on the environment based on the following findings, and therefore a Draft Environmental Impact Statement (DEIS) is to be prepared. The findings are as follows:

The proposed action may have an effect on land use, socioeconomic conditions, community facilities and services, open space, urban design and visual resources, neighborhood character, hazardous materials, infrastructure, traffic and transportation, air quality, and noise, and may result in construction impacts.

A **public scoping meeting** has been scheduled to obtain comments on the draft scope of analysis for the DEIS, which is attached to this notice. The meeting will be held on **Tuesday, October 18, 2005 from 5:00 P.M. to 8:00 P.M. at New York City College of Technology, 285 Jay Street, Klitgord Auditorium, Brooklyn**. Copies of the draft scope of analysis may be obtained from ESDC's Web site: www.nylovesbiz.com/default.asp. Comments on the draft scope of analysis may be presented at the public scoping meeting or written comments may be sent to the contact below. Written comments will be accepted until 5:00 P.M. on October 28, 2005.

Part 617 allows thirty (30) days from the date of this notice for consent or challenge of lead agency designation. If your agency has no objections to ESDC assuming the role of lead agency, we would appreciate your expedited agreement by return fax to (212) 803-3855. A reply form is enclosed for your convenience. If within thirty (30) days from the mailing of this notice there are no objections made, it will be assumed that the agencies concur that ESDC serve as lead agency for the environmental review of the proposed action.

Contact: Atlantic Yards c/o Planning & Environmental Review, Empire State Development Corporation, 633 Third Avenue, New York, NY 10017, (212) 803-3254, atlanticyards@empire.state.ny.us

The Full EAF Parts 1 and 2, draft scope of analysis and this notice have been sent to:

Metropolitan Transportation Authority
Long Island Rail Road
NYS Department of Environmental Conservation
NYS Office of Parks, Recreation and Historic Preservation
Office of the Deputy Mayor for Economic Development and Rebuilding
NYC Department of City Planning, Brooklyn Office
NYC Department of Environmental Protection
NYC Department of Housing Preservation & Development
NYC Department of Transportation
NYC Economic Development Corporation
NYC Housing Development Corporation
NYC Landmarks Preservation Commission
Brooklyn Borough President's Office
Brooklyn Community Boards 2, 6 and 8
Local Members of City Council, NYS Senate, NYS Assembly, US Congress, and US Senate
Current Private Property Owners and Tenants
Atlantic Yards Development Co., LLC and Brooklyn Arena, LLC c/o Forest City Ratner Co.

RESPONSE TO NOTICE OF PROPOSED LEAD AGENCY DESIGNATION

PROPOSED LEAD AGENCY:

New York State Urban Development Corporation, d/b/a Empire State Development Corporation

NAME OF ACTION/PROJECT: Atlantic Yards Arena and Redevelopment Project

**City of New York
County of Kings**

On behalf of _____ (involved agency),
I acknowledge receipt of the lead agency designation notice in this matter.

The above named involved agency hereby (please check one):

CONSENTS that the above named agency serve as lead agency in this application, and requests that the undersigned continue to be notified of SEQR determinations, proceedings and hearings in this matter.

DOES NOT CONSENT to the above named agency serving as lead agency in this application and requests that _____ serve as lead agency. To contest lead agency, the undersigned intends to follow the procedures outlined in 6 NYCRR Part 617.6(e).

DATED: _____

SIGNED: _____

NAME / TITLE: _____
(please print)

Please return by Monday, October 17, 2005 to:

Atlantic Yards c/o Planning & Environmental Review
Empire State Development Corporation
633 Third Avenue
New York, NY 10017

OR FAX TO: 212-803-3855