

**FOREST CITY RATNER STATEMENT ON APPELLATE DIVISION  
EMINENT DOMAIN RULING**

*Courts Again Side with Atlantic Yards Allowing Jobs and Affordable Housing  
to Come to Brooklyn*

May 15, 2009 - Brooklyn, NY - Bruce Ratner, CEO and Chairman of Forest City Ratner Companies, issued the following statement today regarding the Appellate Division, Second Department 4-0 ruling against opponents and upholding the State's right to use eminent domain given the public benefits associated with the Atlantic Yards Development in Brooklyn.

"We're thrilled with today's decision," Mr. Ratner said. "The world has changed significantly since we announced this project in December 2003. But one thing has never changed -- Forest City's commitment to bringing the Nets to Brooklyn and building an arena and residential community that will make the people of Brooklyn and the entire City proud."

Mr. Ratner said he was confident the project would break ground this year, with the intent that the Nets will play ball in the Barclays Center in the 2011-2012 season.

FCRC expects to start at least one residential building during the first phase of construction. In addition to Barclays, which has the exclusive naming rights, eight companies have signed on as founding partners for the arena.

"Today's decision is the 23<sup>rd</sup> in a row in favor of the development," Mr. Ratner concluded. "This significant victory keeps Atlantic Yards moving forward. It means that more affordable housing, jobs, the Nets and other sports and entertainment are that much closer to being a reality in Brooklyn. We are ready to get started."

Ratner explained as well that the arena and larger development are expected to create 16,924 direct jobs and over 30,000 indirect jobs. The tax revenues that will be generated for the City and State during the construction period are expected to exceed \$240 million and after construction reach approximately \$70 million a year.

**Background on Atlantic Yards:**

**Construction on the Site**

- Construction work on Atlantic Yards began in February of 2007. In December of 2008 all work stopped at the site due to lawsuits brought by project opponents. Work will resume in the near future with the intent that the Nets will play ball in the Barclays Center in the 2011-2012 season.

- To date 35 buildings, roughly 56% of the structures on the site have been demolished. There are 11 vacant lots and 29 other remaining structures. FCRC owns or controls approximately 85% of the site.
- Minority- and women-owned businesses have received a large percentage of the work. Construction contracts awarded at Atlantic Yards total approximately \$45.5 million. The total MBE awards are \$17,563,767 or approximately 38.4% of total purchases. The total WBE awards are \$2,670,894 or approximately 5.8% which brings the total M/WBE participation thus far to \$20,234,661 or approximately 44.2%.

Additionally, 40.3% of the 25 contracts awarded to MWBE firms have gone to Brooklyn based firms.

### **Legal Update**

- Today's decision is the 23<sup>rd</sup> consecutive ruling in favor of Atlantic Yards
- February 26, 2009 – Appellate Division upholds State Supreme Court ruling that EIS public approval was properly completed.
- June 23, 2008. The United States Supreme Court declines to review a decision by the United States Court of Appeals for the Second Circuit.
- February 1, 2008. US Court of Appeals, the Second Circuit, unanimously rejects the opponents' appeal in the federal eminent domain lawsuit that was dismissed in June, 2007.
- January 15, 2008. The Appellate Division of the New York State Supreme Court unanimously dismisses a challenge to the project approvals under Section 207 of the Eminent Domain Procedure Law in November 2007. Opponents' request for an appeal was denied in January, 2008.
- January 11, 2008. NY State Supreme Court rules against opponents in a case on environmental review procedures. Opponents are appealing the case.
- October 2007. A second suit brought in the NY State Supreme Court challenging the State's use of eminent domain was dismissed in May 2007, and the dismissal was affirmed by the Appellate Division in October 2007.