

Atlantic Yards bonds sell for \$511M

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Forest City Ratner Cos. said Tuesday that it had completed the sale of \$511 million worth of bonds that will be used to construct the sports arena that is at the center of its controversial Atlantic Yards project in Brooklyn

The bonds for the \$1.06 billion, 18,000-seat venue that will be home to the Nets basketball team needed to be sold before the end of the year to qualify for tax-free financing. The securities had an interest rate of 6.48%.

Bruce Ratner, the chairman and chief executive of Forest City Ratner, issued the following statement today upon the completion of the marketing of the bonds for the Barclays Center in Brooklyn:

"The interest in the arena bond offering was beyond our expectations," Mr. Ratner said in a statement, noting that orders from institutional investors were almost four times the supply of bonds. "Even more importantly, the overwhelming support from investors is a good sign of confidence in this project and in the city."

Earlier this month, the bond offering received an investment-grade rating from Moody's Investor Service and Standard & Poor's. However, the ratings were only one step above junk.

Securing financing will be the last major hurdle to starting construction on the arena, which is the centerpiece of Forest City Ratner's \$4.9 billion plan to redevelop the Atlantic Yards. Last month, the developer overcame the other major obstacle when New York's highest court gave the state permission to use eminent domain to seize property on the 22-acre site that Forest City doesn't already control. Forest City plans to have the arena open by the 2011/2012 basketball season.