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September 12, 2005

Hon. Peter S. Kalikow
Chairman
Metropolitan Transportation Authority
347 Madison Avenue
New York, NY 10017

Dear Chairman Kalikow:

I am writing to express Regional Plan Association's concern that the MTA's negotiations with Forest City Ratner Companies (FCR) for property interests in the LIRR's Vanderbilt Yards (also known as the Atlantic Yards) may not result in the best outcome for the MTA, New York City and the region. In particular, we are concerned that property rights may be conveyed for far less than fair market value and before an adequate public evaluation of development alternatives is conducted. We ask that the MTA Board insure that the following stipulations are met before agreeing to sell this valuable asset.

In previous statements, RPA has articulated three conditions that must be met before a developer is selected for the Atlantic Yards. The first is that the MTA obtain full value for this important asset. The reported offer of \$100 million by FCR falls far short of the site's \$214.5 million appraised value, particularly considering that a competing bid of \$150 million was submitted by the Extell Development Company (Extell).

The second condition is that there is a full public disclosure of the competing bids and a comparative analysis of the costs and benefits associated with each proposal. We appreciate that many of the bid documents have been released, but several important documents, such as FCR's pro forma cash flow statements, remain unavailable. In addition to releasing all bid documents, there needs to be a comparative analysis of the public subsidies, projected tax revenues and other public costs and benefits that would flow from each proposal, as well as impacts on the surrounding community.

Finally, the transportation implications of the FCR proposal need to be fully explored. RPA supports dense, well-planned development around transit facilities

such as the Atlantic Yards, and believe that a basketball arena could be appropriate for the area. However, the potential traffic and transit impacts of an additional 6,000 housing units, 2 million square feet of office space and a basketball arena have yet to be analyzed. In an area where traffic is already congested, both the Atlantic Yards project and the City's Downtown Brooklyn plan will significantly add to congestion. In addition to understanding the full extent of these impacts, strategies for accommodating them need to be vetted and incorporated into the costs of the project.

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We therefore respectfully ask you and the other members of the MTA Board to address these concerns before agreeing to convey property rights to the Atlantic Yards to FCR. If the analysis requested here does not firmly establish the FCR proposal as the most advantageous, then the MTA should either begin negotiations with Extell or reopen the bidding process.

Thank you for your attention to this critical issue. I would be happy to discuss the matter further at your request.

Sincerely,



Robert D. Yaro
President

cc: David S. Mack
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