

FOREST CITY RATNER

COMPANIES

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FOREST CITY RATNER STATEMENT ON UNITED STATES SUPREME COURT DECISION NOT TO HEAR EMINENT DOMAIN CASE

June 23, 2008 - Brooklyn, NY - Bruce Ratner, the CEO and Chairman of Forest City Ratner Companies, today applauded the United States Supreme Court decision not to hear an eminent domain suit requested by opponents of the Atlantic Yards project.

Today the Supreme Court, the highest court in the land, affirmed the State's right to use eminent domain relating to Atlantic Yards. In February, the Court of Appeals, Second Circuit, unanimously affirmed the District Court's decision in a case brought by opponents of the Atlantic Yards project in Brooklyn on the grounds that the use of eminent domain violates the Public Use Clause of the Fifth Amendment. The District Court had previously decided against the plaintiffs in the case, citing the numerous public benefits generated by the project.

"We believe, and the courts have repeatedly agreed, that Atlantic Yards provides significant public benefits, including thousands of affordable homes and much needed jobs for Brooklyn," Mr. Ratner said. "We are gratified that the Supreme Court has decided to put an end to this lawsuit. The opponents have now lost 20 court decisions relating to Atlantic Yards, and we are now one step closer to making these benefits a reality for the borough and the City."

Background on Atlantic Yards:

Construction on the Site

- * Construction work on Atlantic Yards began in February of 2007. FCRC expects to open the Barclays Center in the 2010 calendar year.
- * To date, roughly **53% of the structures on the site** have been demolished or are in the process of being demolished. Thirty structures have been demolished and an additional three buildings are being demolished or are slated to be demolished in the short term. There are 11 vacant lots and 29 other remaining structures.

- * Minority- and women-owned businesses have received a large percentage of the work. Construction contracts awarded at Atlantic Yards total approximately \$43 million. The total MBE awards are \$16.4 million, or approximately 38% of total purchases. The total WBE awards are \$2.9 million, or approximately 7%, which brings the total M/WBE participation thus far **to \$19.4 million, or approximately 45%.**
- * Construction of the Temporary Rail Yard is under way. The Carlton Avenue bridge is in the process of being demolished, and critical upgrades to the 100-year-old sewer and water infrastructure have begun.

Legal Update

- * February 1, 2008. US Court of Appeals, the Second Circuit, unanimously rejected 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 dismissed 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 ruled 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.