

New York City Economic Development Corporation
New York City Council Oversight Hearing:
The Brooklyn Navy Yard and Other Models for Expanding New York City's Industrial Sector
Zac Smith, Chief Operating Officer
April 24, 2014

Good morning Chairman Garodnick and members of the Committee on Economic Development. My name is Zac Smith, and I am Chief Operating Officer of the New York City Economic Development Corporation ("NYCEDC"). Thank you for inviting me to speak with you today about the Brooklyn Navy Yard and other industrial assets across New York City. I am pleased to be here to address the importance of utilizing City assets such as the Brooklyn Army Terminal, among others, to promote the continued revitalization of our City's industrial landscape and to position New York City further as a major center of modern manufacturing. After my remarks, I will be happy to take questions.

Manufacturing is a vibrant and crucial segment of New York City's economy. Between 2011 and 2012, the sector enjoyed its highest annual growth in three decades, today accounting for about 13 percent of private sector employment. Much of this growth can be attributed to the great success of industrial centers like the Brooklyn Navy Yard and the Brooklyn Army Terminal, where small manufacturers are thriving. Today we are seeing impressive growth in both the number and strength of small manufacturing companies, many of which are making significant innovations in industries that range from medicine to media to fashion.

Many of these companies have located at the Brooklyn Army Terminal, or BAT, a City-owned facility managed by NYCEDC in the Sunset Park section of the Brooklyn waterfront, which has become a critical source of quality industrial jobs. Since the City purchased BAT from the Federal government in the 1980's, NYCEDC and its predecessor agencies have transformed approximately 3.1 million square feet of space at BAT into a modern, subdivided campus that is equipped for modern industrial uses. We are proud of the fact that of the usable 3.1 million square feet at BAT, 99 percent is currently occupied by more than 100 companies that employ approximately 3,500 people. Companies based at BAT include Uncommon Goods, an online retailer of gifts and accessories that

employs more than 120 people full time and 600 people seasonally. In addition, famed chocolate manufacturer Jacques Torres recently established his global production headquarters in 40,000 square feet at BAT, which will employ up to 60 people. These are just two notable examples of the types of businesses that call the Brooklyn Army Terminal their home, but there are many more that represent all corners of the industrial sector. BAT offers these companies an affordable place to locate with good loading capacity in a well-maintained and secure facility, and access to public transit and onsite parking. It is for these reasons that we see a high demand for additional space at BAT and also why we have become more selective about which new tenants we lease to there – with an increased focus on job-intensity and job quality.

There are in fact hundreds of thousands of square feet in buildings at BAT that are currently unoccupied, but in order to make the space habitable for industrial or commercial use, substantial capital investment must be made in remediation and life safety systems like fire alarms and elevators, as well as new windows, bathrooms, HVAC systems, lobbies, corridors, and entrances. We have therefore made this part of our capital new needs request. Along those lines, NYCEDC has also decided to invest some of its own funds to remediate and restore for lease a 55,000 square-foot long-dormant building at BAT, historically known as the “Administrative Building,” which we plan to make available for light manufacturing businesses. Without new city capital funding, however, the large majority of vacant space at BAT will remain vacant.

The Brooklyn Army Terminal is just one of several key industrial assets that NYCEDC manages on behalf of the City. NYCEDC utilizes the revenue generated by assets like BAT not only to reinvest and expand these assets, but also to fund a broad spectrum of programs and services that also directly grow the City's economy, including many programs and investments that support the industrial sector in all five boroughs. In addition, NYCEDC is required to return a portion of its net income back to the City, and does not have the ability to redirect these funds back into the industrial assets in their entirety.

Workforce training and development is a priority at all NYCEDC industrial assets, and something we are looking to strengthen and expand. We are currently working with the Southwest Brooklyn Industrial Development Corporation to help train and place individuals in skilled jobs available at businesses at BAT. NYCEDC's Industrial Desk is actively studying and identifying new ways in which we can support industrial businesses in filling their talent needs. We are in the process of developing ways that the City can offer attractive training and skill development programs that are nuanced and customized to businesses' operational needs. This programming would serve both existing and new employees.

Although BAT is a self-contained industrial campus, engaging the surrounding community is also important to its success. In addition to workforce programs, we plan to grow our community outreach efforts in a number of ways, including a forthcoming partnership that will facilitate public tours and highlight exciting advances in manufacturing at BAT and the important role it has played in our City's history.

BAT is one of several industrial properties that NYCEDC manages on the South Brooklyn waterfront, which is also home to Bush Terminal, South Brooklyn Marine Terminal, the Sunset Park Materials Recycling Facility, and other, privately-owned industrial complexes. These sites are connected by rail and freight infrastructure that increase the efficiency and utility of all the properties together. More broadly, EDC's industrial desk is currently leading a comprehensive review of all our industrial assets in order to ensure that these properties fully support the needs of this vital sector. By creating a coordinated strategy to help these city-managed assets operate at their full potential, we seek to create space for good paying industrial jobs, promote the strategic growth of our industrial tenants, and, ultimately, bolster the City's economy as a whole.



**Brooklyn Chamber
of Commerce**

Thursday, April 24th, 2014

**Written testimony respectfully submitted to the Committee on Economic Development by
Melissa Chapman, Vice President, Government & Community Relations at the Brooklyn
Chamber of Commerce.**

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Good Morning Chair Garodnick, members of Committee on Economic Development, and guests.

My name is Melissa Chapman and I am the Vice President of Government & Community Relations, at the Brooklyn Chamber of Commerce, in Brooklyn, New York. Today, I will be delivering testimony on behalf of Brooklyn Chamber President & CEO Carlo A. Scissura, Esq.

The Brooklyn Chamber of Commerce is a membership based business assistance organization, which represents the interests of over 1,650 member businesses, as well as businesses across the borough of Brooklyn. The Brooklyn Alliance is the not-for-profit economic development organization of the Chamber, which works to address the needs of businesses through direct business assistance programs.

We commend this committee for examining the positive economic impact that the Brooklyn Navy Yard has made to New York City, and touting it as an economic model that can be successfully replicated in appropriate areas of New York City. We are even more delighted that these accolades are being directed to one of our own – the Brooklyn Navy Yard which has been an outstanding member of the Brooklyn Chamber of Commerce for over 10 years.

The Brooklyn Navy Yard has exhibited strong, strategic leadership over the past decade, by transforming the once declining, underutilized 300-acre industrial space into one of the country's fastest-growing manufacturing centers. This has had a positive impact on the surrounding business community and residents, which proves that there is hope for struggling economies, especially if they embrace high-demand fields such as clean-tech and high-tech manufacturing, as is the case with Brooklyn Navy Yard. Further, Brooklyn Navy Yard's success proves that there are great economic gains to be had from the "Made In America" slogan, because it has a direct impact on the growth of new businesses, and naturally increased jobs.

In February 2013, Pratt Center released a study titled 'Brooklyn Navy Yard: An Analysis of Its



Economic Impact and Opportunities for Replication.' The study stated: *"In 2011, the Navy Yard had an overall economic impact of \$2 billion on the local economy, sustained 10,000 jobs, and had \$350 million in earnings, a staggering improvement from ten years ago when the Navy Yard had an estimated economic impact of \$516 million, sustained 2,700 jobs and had approximately \$100 million in earnings, an increase of nearly 400 percent."* At this rate, it's clear that Brooklyn Navy Yard is one of the borough's largest employers and economic contributors.

According to the report, the key elements that generated success included a strategic approach from the New York City government after its purchase of the Navy Yard from the federal government in 1969; the organization's creation of a mission-driven, not-for-profit organization; and their investment of \$250 million in city capital funds for the Navy Yard's infrastructure since 1996.

In addition to being an economic leader, Brooklyn Navy Yard is also an environmental leader, and was recognized by the New York State Pollution Prevention Institute for a campus-wide solid waste and recycling program that has generated positive environmental and economic benefits for the Yard and its 330 tenants. Some of the plan elements included the reduction of waste-handling cost for tenants by approximately 27%, which in turn led to the elimination of over 1,600 tons of waste going to area landfills. This measure also reduced carting traffic by 90%, which resulted in an automatic decrease in carbon footprint.

One of the most notable pillars for success at Brooklyn Navy Yard was the addition of BLDG 92 – a \$25 million visitor's center and museum that opened in 2011. This new building served to solidify the Navy Yard's commitment to its community and provided neighbors and visitors with a transformed view of what the yard has to offer. BLDG 92 falls directly in line with Brooklyn's booming tourism industry, since the space offers visitors tours of the yard's historic landscape via bus and bike tours. Within the building historic photos and artifacts dating back to 165 years allow visitors to travel back in time and literally chart the highlights of the yard.

Brooklyn Navy Yard is also at the center of another steadily growing industry in Brooklyn – film. At the Brooklyn Chamber's 2012 Winter Gala, it was announced that aspiring filmmakers will have access to the facility once the Brooklyn College graduate film program and partner Carnegie Mellon move into the new site. The 50-acre media and entertainment project is poised to be an additional draw for tourists and revenue in the Navy Yard as well as its surrounding neighborhoods.

We can see the Brooklyn Navy Yard's model also having a positive impact in areas such as Red Hook, Bay Ridge, Coney Island, Sunset Park and Canarsie.

Replicating the model of the Brooklyn Navy Yard in these neighborhoods would truly spark innovation, increase economic activity and provide much needed jobs. According to the report mentioned earlier from the Pratt Center, 1,600 area residents have benefitted from jobs over the past decade—122 last year alone. Further, the study reports occupancy at the Navy Yard is 100%, which is why 1.5 million square feet will be added over the next two years in an expansion expected to add 2,000 jobs to the existing 6,000. Some 3,000 of those existing jobs are held by Brooklyn residents.



**Brooklyn Chamber
of Commerce**

The Brooklyn Navy Yard is undoubtedly a great model to encourage economic development in other areas of New York City, because it builds upon its rich history, while positioning itself to take advantage of new opportunities that will allow it to be sustainable. More importantly, the growth of economic activity goes beyond the gates of the Navy Yard, and plays a role in the increase of small businesses and jobs in surrounding areas.



**TESTIMONY OF DAVID EHRENBERG, PRESIDENT & CEO,
BROOKLYN NAVY YARD DEVELOPMENT CORPORATION
BEFORE THE NEW YORK CITY COUNCIL
ECONOMIC DEVELOPMENT AND WATERFRONT COMMITTEES
April 24, 2014**

Good afternoon, my name is David Ehrenberg. I am the President and CEO of the Brooklyn Navy Yard Development Corporation. The Brooklyn Navy Yard Development Corporation (BNYDC) is a mission-driven not-for-profit that manages the 300-acre Brooklyn Navy Yard on behalf of its owner, the City of New York.

I had the pleasure of presenting before the Economic Development and Waterfront Committee in November after being on the job for two months. Now, at seven months in, I continue to be energized by the recent progress at the Yard and, more importantly, our untapped potential.

Today, I'll provide some updates on our critical projects but I'd like to primarily focus on the strategy and vision for the Yard. Boiled down, the Navy Yard's mission has three critical elements:

- maintaining and creating affordable space for job-intensive businesses;
- providing business support services and an environment that encourages business growth and the creation of good-paying jobs;
- matching and training local residents for those job opportunities that are created in the Yard.

Currently, 100% of our 3.5mm SF of occupiable space is leased. The Yard is home to 330 businesses that employ 7,000 people, up from 3,600 in 2001 and a low of only 800 just a few decades ago. By adding more than 2M square feet of space in the next few years, we will create between 5,000 and 7,000 additional jobs, bringing our total employment to 12,000 or more.

At the core of all we do, is our commitment to bridging our economic development and workforce development initiatives. This is underscored through the work of our Employment Center. In the past two years, our full-time staff has matched 450 local residents to good-paying jobs, averaging over \$12/hour. And for those individuals who are not quite prepared for current or future job opportunities, we provide both hard and soft skills training programs in partnership with some of the best workforce development organizations in the City. We are mindful of the communities we serve and the needs of our neighbors so, last year, 25% of the Employment Center's placements were individuals residing in public housing; 15% were veterans; and 10% were formerly incarcerated. In addition to direct placements into jobs at the Yard, our

Employment Center also runs a variety of summer and year round internship programs for local high-school and college students. BNYDC pays the stipends for most of these interns and last year we place nearly 200 local young people into career building opportunities at the Yard.

Because of the rapid employment growth, greening of the Yard and focus on workforce development, the Yard has already become a national model for sustainable urban industrial development. While there are many factors that have contributed to this success there are three key elements to our model:

- 1) **Public Ownership and Non-Profit Management:** Owned by the City and managed under a 99-year lease by a mission driven not-for-profit, our commitment to keeping the property industrial is ironclad. The fact that the Yard will remain industrial gives our tenants certainty that they won't be priced or otherwise chased out. Our tenants, therefore, have the confidence and long-term stability needed to invest in their spaces, their equipment and their employees. This is evidenced by the fact that in the last ten years, there has been \$750 million dollars of private investment at the Yard, a figure we expect to grow to nearly \$2bn over the next few years.
- 2) **Dedicated Funding:** Every cent of our revenues are reinvested back into our buildings, employment center or other community programs. This provides us both the financial resources, and the financial stability to reinvest in our buildings and programs year in and year out.

These Navy Yard investments have been augmented by \$250mm of infrastructure improvements made primarily by the City. To reverse decades of neglect, over the last 10 years the City has helped upgrade the Yard's basic infrastructure. It is critical to understand that this is infrastructure that, anywhere else in the City the City itself would be responsible for such as paving of streets, water and sewer pipes and waterfront maintenance. This investment was essential to creating an environment where companies wanted to locate and grow.

- 3) **On Site Management:** I and my team are singularly focused on the Yard, its buildings, its businesses and its employees. We get real time feedback from them every single day as we walk the floors of our buildings, wait for lunch, and ride the elevators together. Our entire organization from our leasing team, to our maintenance staff to the Employment Center is focused every day on making the Yard better for its tenants and employees because it is, frankly, where we spend most of our waking hours.

Recent and Future Projects

The Yard's success has, in many ways, created our greatest challenge. We are 100% full and cannot meet the demands of current Yard tenants as they grow, let alone house the 3-5 companies that call us every single day looking for space.

The support of the City Council has been critical to the success of several recent projects in the Navy Yard that are helping to further our mission:

1. The creation of the Employment Center and exhibition in **BLDG 92**
2. The reconstruction of the Building 128 complex to create the **Green Manufacturing Center**
3. And we hope that the next great partnership with the Council will be on our Building 77.

The Green Manufacturing Center is a 250,000SF \$60 million adaptive reuse project that is under construction and slated to be completed in less than a year. When complete, the building will house 700-800 jobs. Two of the three tenants in that building will be existing tenant expansions. One anchor tenant is Crye Precision, which makes body armor and protective gear for the armed forces. New Lab, the other anchor tenant, will offer a cutting-edge facility that will foster innovation in design, prototyping, and new manufacturing through a shared space and shared equipment. Finally, we are in negotiations with a third existing tenant to expand into the remaining 60,000SF.

The Yard is constantly looking for ways to maximize the local economic development impact of our projects so, for Building 92, the GMC and other recent projects on the Yard, we not only focused on permanent job creation, we also set very aggressive targets for MWBE participation and have exceeded those targets in every case.

Our next major project is the massive reconstruction of Building 77 which is underway and we expect to be completed by the end of 2015. Building 77 is a transformative, shovel-ready project, activating a nearly one million square foot historic asset in the center of the Navy Yard into a thriving center for manufacturing and technology-based businesses. Supporting at least 1,500 jobs this project will have an immense impact on the Yard and the surrounding community. This single project will increase employment at the Yard by more than 25% and will be one of the largest industrial buildings in the City.

Building 77 will accommodate a variety of manufacturing uses, including another existing Navy Yard tenant who is leasing approximately 25% of the building. This \$77 million project is shovel-ready. We have already secured \$66mm of BNYDC equity, a loan BNYDC secured off its own cash flow and historic tax credits. However, there is currently a financial shortfall of approximately \$11 million. We have requested this amount from the Borough President and City Council over two fiscal years and are hopeful that with the continued support from the Council we will be able to activate this underutilized building, create thousands of new jobs that, thanks to the hard work of our Employment Center team, will be accessible to a wide variety of New Yorkers.

Testimony given by Laura Imperiale
April 24th, 2014
NYC Council Economic Development Committee
“Oversight Hearing on the Brooklyn Navy Yard”

Good Morning Chair and Member of the Economic Development Committee.

My name is Laura Imperiale. I am the Director of Government Affairs for Tully Construction and Willets Point Asphalt. I also serve on the Board of Directors of the Queens Chamber of Commerce and am the Chair of the Queens Chamber of Commerce’s Industrial and Manufacturing Committee. I am here testifying on behalf of the Queens Chamber today to give voice to our members and to represent the interests of the industrial business community in Queens.

Thank you for holding this important oversight hearing today on the Brooklyn Navy Yard and whether this is a model for the expansion of NYC’s industrial sector.

I believe the answer to be yes absolutely. But we need to recognize what made the Navy Yard work. First, the Navy Yard was sited and development on city owned land, is operated by very successful development corporation, and the State and City have maintained strong support of the Navy Yard by providing millions of dollars towards its development and expansion efforts over the past 30 or so years.

In order to replicate this model the city and state will need to make similar financial commitments and will require locating land that would be dedicated to industrial development.

A parallel track for the City should be to look at already existing resources such as the 22 industrial Business Zones and various industrial and corporate parks in NYC for areas of new investment. Strengthening these areas of business will lead to increased sector growth and increased job creation. What is equally important is the preservation and possible creation of new M-Zoned land. Currently manufacturing districts make up 15% of New York City’s land.

So why is manufacturing and industry important to the city’s economy?

Some notable statistics regarding the current (as in 2012) industrial sector in NYC

- As of 2012, it made up 10.7% of total gross city product
- Accounted for 13.5 of private employment
- Industrial occupations provided a range of salaries from approximately \$36k to \$88K

One last point I would like to make is that the flip side of the affordable housing discussion should be the creation of well-paying jobs, with low barriers to entry. Many of the industrial sectors are just those jobs. There has to be a stronger linkage in the public policy arena regarding the ability to afford to live in NYC and access to good jobs. So while creation of affordable housing is critical in NYC, equally so is the retention and growth of industry and manufacturing in NYC.

Thank you for the opportunity to testify before you today.



Long Island City Partnership

**Testimony of
Debra Mesloh, Director of Business Expansion and Retention**

**At
Oversight: Examining the Brooklyn Navy Yard as a Model for the Expansion of New York City's Industrial Sector**

April 24, 2014

Good morning, I am Debra Mesloh, Director of Business Expansion and Retention at the Long Island City Partnership. Founded in 1979, as the LIC Business Development Corporation, the Partnership is the umbrella neighborhood improvement and economic development non-profit for all of LIC. We have been successfully working with industrial businesses for over 35 years. We first oversaw LIC's In-Place Industrial Park, the largest of the IPIPs, and now oversee the LIC Industrial Business Zone program which replaced the IPIP program in 2006.

We applaud the City's great success at the Brooklyn Navy Yard, however, we would caution against viewing it as the model through which to address all industrial businesses. The industrial business sector is extremely diverse, much more so than people realize. Companies are in different types of locations and parts of the City based on their individual needs. I can speak most familiarly to LIC's 2000 industrial businesses and the 4300 industrial businesses the Partnership serves in Western Queens. Most of these are here, first and foremost, because of our unique location on the transportation grid and plentiful skilled local workforce. But even though these two issues are relevant to all our businesses—and could not be met by a Navy Yard type approach—the diversity of companies evident in LIC would not allow for any one-size-fits-all solution.

Examples include:

- Brooks Brothers which has 215 employees manufacturing all Brooks Brothers tie and includes 85 employees whose job it is to do clothing alterations for their retail locations.
- DKN Readymix, a City and State Certified W/BE concrete manufacturer.
- Shapeways, the largest 3D printer, whose LIC facility handles all the manufacturing for their American and Canadian orders.
- Wonton Food which manufacturers 4 Million fortune cookies daily.
- About 90 artisan manufacturers also call LIC home including “the glass whisperer,” Michael Davis, whose stained and blown glass is known worldwide, and world renowned furniture maker Dakota Jackson.

The City should help the Navy Yard to grow; however, we need to continue to help private companies located in private properties in the IBZs and throughout the City. Industrial companies are in every borough. Some are on the grid, and some are off, all are located where they are due to their individual needs, be it availability of real estate, transportation, workforce, proximity to similar or complimentary companies, or even accessibility to their supply chain.

Industrial businesses provide good jobs for New Yorkers. Most industrial jobs in LIC are held by residents of the five boroughs. Most importantly, they pay an average of \$51,000 per year—enough to support a middle class family—compared to retail jobs which pay about \$36,000.

We cannot treat these industrial companies which are located throughout the City as a single entity with similar needs, just because they are labeled “industrial.”

I thank you for your time and look forward to working with you in the future to continue to explore new and better ways to support industrial businesses in NYC.



**Industrial Retention, Growth and the Brooklyn Navy Yard Model
Testimony to Economic Development Committee, City Council**

Adam Friedman, Director

April 24, 2014

I am Adam Friedman, Director of the Pratt Center for Community Development, one of the authors of Pratt's recent Brooklyn Navy Yard study. I am also on the Board of Directors of the Brooklyn Navy Yard.

I appreciate the opportunity to testify as well as your efforts to advance public policy around one of the City's most challenging economic development issues: How to assure space for high quality manufacturing jobs - jobs that pay on average approximately \$50,000 per year and often offer a career path from entry level jobs like pushing a broom on the factory floor to even ownership of that factor in the face of New York City's incredibly high cost environment, particularly its land costs? How can we encourage companies to invest in training, new equipment and job creation when they may not get their leases renewed and their neighborhood may be rezoned for residential development?

We undertook the Navy Yard study to explore one successful strategy for addressing these problems. We wanted to document the reasons why the Navy Yard had been successful and how New York and other cities could build on that success. I'd like to highlight that the Navy Yard model is not the only strategy necessary to strengthen the manufacturing sector and I urge

the Council in subsequent hearings to also look at new types of zoning that would be much more effective in preserving space for manufacturing jobs than New York's current zoning tools, as well as a hearing focused on the Industrial Business Zone program.

In the Navy Yard study, we identified 8 attributes that contributed to the Navy Yard's success. These 8 attributes are based on a synthesis of the responses we received from a survey of 187 tenants and from interviews with dozens of other stakeholders. The 8 core elements are:

1. Mission driven, on-the-ground, non-profit management
2. Publicly-owned property
3. Consistent city capital
4. Ability to reinvest surplus and leverage rent roll
5. Campus setting
6. Industrial Land Use and priority
7. Diverse tenant base
8. Sustainable development

These 8 combine to achieve two very important objectives: security and engagement. That the space is managed by a non-profit organization that has as its mission the growth of industrial jobs, that the land is publicly owned and will not be sold or rezoned for another purpose, that the rent revenue is reinvested back into the maintenance, expansion and mission of the non-profit to strengthen the industrial sector, that the area looks and feels industrial, all combine to convey or message to the tenants "you are safe, you are here to stay, you can invest and grow here." That economic security is decisive for the manufacturing tenants because it allows them to make positive business decisions about investment and growth.

Tenants in a typical manufacturing zone get the opposite message: they get harassed by ticketing agents and residents who are often present illegally. And they see non-industrial uses like hotels and big box retail creeping in. So they expect gentrification and stop investing and it triggers a downward spiral.

The second advantage of the Navy Yard model is the high level of engagement of management with the tenant businesses. This creates opportunities for advancing policy objectives such as local resident employment or reduced carbon emissions. The success of the Navy Yard's collaboration with Brooklyn Workforce Initiative in the placement of residents, including residents from neighboring NYCHA projects, at jobs in the Yard is substantial. Those placements are in part made possible by the relationships between management and tenants that developed over a long period of time. These relationships probably began around other issues, such as help relocating a growing tenant from one space to another, applying for a loan or tax benefit, or making connections among potential business partners. To achieve that level of engagement and connection requires on-site management and shared purpose.

How can the city build on the lessons learned from the Navy Yard model? It must adopt a strategy to strengthen its non-profit industrial development sector.

This strategy is similar to the one that emerged in the affordable housing movement, where non-profits have become some of the most prominent developers and managers of affordable housing. This evolution was aided by development of an entire infrastructure of financing and tax benefits, technical expertise, zoning and other policies.

Non-profits can play a similar role in industrial development by acquiring and managing space for industrial tenants, and several have already begun that process including the Greenpoint Manufacturing And Design Center and the East Williamsburg Valley Industrial Development **Corporation**. **Specific steps the Council could take to support this strategy include:**

1. Creation of an Industrial Development Fund that provides both grants and loans to non-profits to engage in pre-development work, and to write down the cost of acquisition and renovation of industrial buildings;
2. Giving non-profits a preference in the disposition or management of city owned industrial land. This could include partnerships with for-profit developers such that the non-profit partner begins to acquire experience and equity as a developer; and
3. Using zoning bonuses to incentive non-profit development.

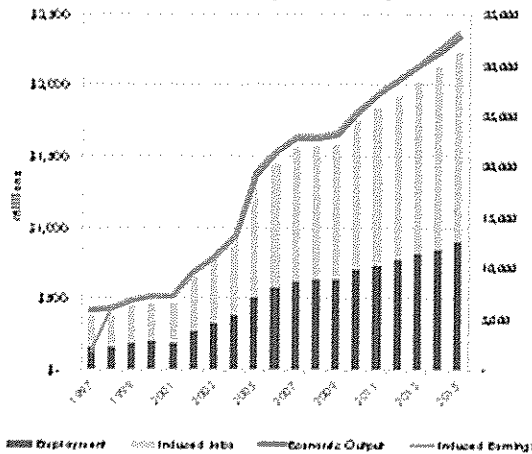
We look forward to working with the City Council and the Administration in the years ahead to building a vibrant manufacturing sector.

Thank you.

NOTE: This testimony was prepared by the Pratt Center for Community Development and does not necessarily reflect the position of Pratt Institute.

Economic Impact of the BNY

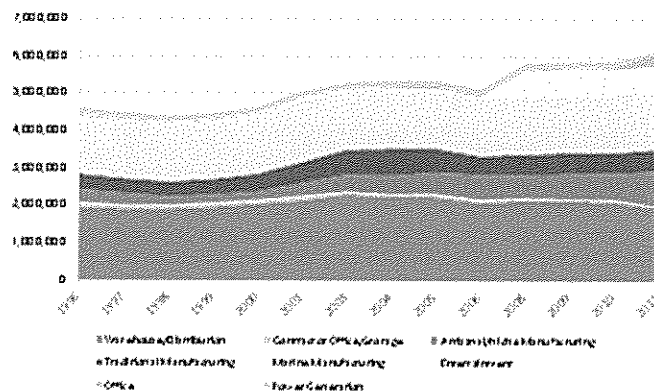
Annual (Ongoing) Economic Impacts of the Brooklyn Navy Yard



- \$1.93 billion in annual economic output
- 10,350 direct and indirect jobs
- \$390 million in annual direct and indirect earnings
- \$1.96 billion in annual induced earnings

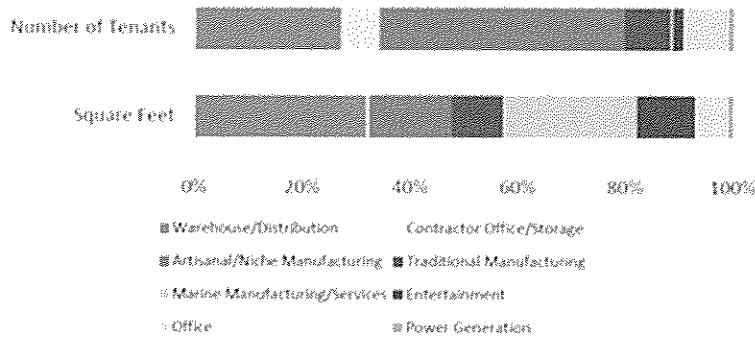
Change in Tenancy at the BNY

Change in Rented Sq. Ft. by Type of Tenant, 1996-2011



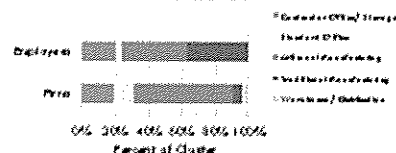
Tenancy at the BNY Today

BNY Tenants by Number of Tenants and Square Footage, 2011

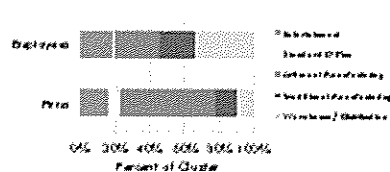


Dynamic Clusters at the BNY

Architecture & Design Cluster



Film & Media Cluster



BNY tenants are part of the supply chain for two of the City's most important industries: architecture & design and film & media

- 57% of surveyed tenants fit into one of these clusters
- Additionally, 65% of surveyed tenants can be classified as artisanal, green and/or high-tech clusters

Key Survey Findings

- 64% of tenants have been located in Yard for 10 years; 16% since business inception
- 94% of tenants cited affordable rent as a key locational factor
- 70% cities on-site management as a critical or important locational attribute
- 64% of tenants expect to hire within the next 5 years (480-600 new jobs)
- 42% of respondents anticipate requiring additional space in the next 3-5 years; 94% of which would like to expand within the Yard

Sustainability at the BNY

- 84% of the companies support BNY's goal to create an eco-industrial park
- 33% said BNY has influenced company to adopt more sustainable business practices
- Top 5 green practices
 - Recycle paper/cardboard (64%)
 - Reuse materials (55%)
 - Use minimum packaging (53%)
 - Purchase recycled paper (48%)
 - Use energy efficient equipment or lighting (45%)
- 19% of firms market their company as green or environmentally sustainable; 53% of which believe this helps increase sales
- Next steps: energy audits/design extension services

**THE COUNCIL
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I intend to appear and speak on Int. No. _____ Res. No. _____

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I represent: 6 FB

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Name: Adam Friedman

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I represent: Puff Center For Community Development

Address: 200 Wiloughby Ave - 11205

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Date: 4/24/12

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Name: MIRTEIA CRAYTOR

Address: 110 William Street

I represent: NYC EOC

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
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Date: 4/24/14

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Name: Joe Coletti, Senior VP

Address: _____

I represent: NYCEDC

Address: 110 William St

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Date: 4/24/14

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Name: Dean Radue SUP

Address: 442 3rd St #4 Bklyn NY 11215

I represent: NYCEDC

Address: 110 William St

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Date: 4/24/14

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Name: Zac Smith, CDO

Address: _____

I represent: Nycedc

Address: 110 William

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☒ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name:

Melissa Chapman

Address: _____

I represent:

Brooklyn Chamber of Commerce

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 4/24/14

(PLEASE PRINT)

Name:

David Ehrenberg

Address:

63 Flushing Ave Unit 300 Bklyn NY 11205

I represent:

Brooklyn Navy Yard

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 4-24-14

(PLEASE PRINT)

Name:

DEBRA MESLOH

Address:

62-65 SANBORN ST. 3R FLD APT 11374

I represent:

Long Island City Partnership

Address:

27-01 QUEENS PLAZA D. 9TH FL.

LIC, NY 11101

Please complete this card and return to the Sergeant-at-Arms