



Brooklyn Navy Yard Development Corporation WHAT'S NEW AT THE NAVY YARD?



MAYOR BLOOMBERG BREAKS GROUND FOR 400,000-SQUARE-FOOT EXPANSION AT BROOKLYN NAVY YARD

Expects to Generate 800 New Jobs, a Supermarket and Business Opportunities for Local Minority- and Women-owned Contractors

Mayor Michael R. Bloomberg and Brooklyn Navy Yard Development Corporation (BNYDC) President and CEO Andrew H. Kimball broke ground on Tuesday, October 24, 2006 on an 89,000-square foot industrial building on Perry Avenue in the Brooklyn Navy Yard. The project, to be developed for multi-tenant occupancy, is part of a seven-building expansion initiative over the next three years that is expected to generate up to 800 new jobs at one of the City's largest and most successful industrial centers. The expansion program – the largest such initiative at the historic site since World War II – will create 401,900 square feet of additional industrial capacity at the 300-acre Navy Yard, which presently encompasses four million square feet of industrial space. The expansion is expected to include a 60,000-square-foot supermarket on the perimeter of the Navy Yard to serve the needs of surrounding communities. In addition, the initiative will seek to maximize employment opportunities for local residents and generate new business opportunities for minority- and women-owned contractors. Brooklyn Borough President Marty Markowitz, Council Members Letitia James, David Yassky and Albert Vann, and BNYDC Chairman Alan H. Fishman attended the groundbreaking as did State Senator Velmanette Montgomery and Assemblyman Joseph Lentol.

"Two years ago, we pledged to undertake a major investment to expand the Brooklyn Navy Yard as part of the City's five borough economic growth strategy and today, we are fulfilling that commitment," said Mayor Bloomberg. *Continues on Page 2*



Andrew Kimball Welcomes Mayor Bloomberg to the Navy Yard

NAVY YARD SEEKS TENANTS FOR FOOD PROCESSING COMPLEX

Design work has begun for a new food manufacturing and processing complex on the current site of Buildings 128/28/123. This complex will have at least 140,000 SF of ground floor space with the potential for another 100,000 SF of upper floor space. Tenant spaces will range from 1,500 SF to 50,000 SF. Design and engineering work is being done by Cybul and Cybul Architects, a firm with extensive experience with food buildings including designing the New Fulton Fish Market and the Greystone Bakery. There is already a substantial amount of interest from potential food-related tenants in this complex. Anyone interested should contact Dan Conlon, BNYDC's Executive Vice President and Chief Financial Officer at (718) 907-5922 or Tom Maiorano, Vice President for Leasing at (718) 907-5920 as soon as possible.

THE PRESIDENT'S CORNER

Welcome to our second *What's New at the Navy Yard* newsletter.

So the building has finally begun. After years of planning, the shovels are in the ground for new industrial buildings that will begin to meet the enormous demand from businesses to relocate and grow in the Brooklyn Navy Yard. Many of you took advantage of the tenant briefings we offered this summer on our expansion plans. As promised, we will continue to let you know when projects move to the construction phase and do everything we can to minimize any disruption they may cause. I have asked BNYDC's Chief of Staff, John Abbracciamento to respond to any issues that our tenants have during this heavy construction period. John can be reached at (718) 907-5914.

This edition of the Newsletter highlights the recent ground breaking ceremony we had with Mayor Bloomberg as well as some of the commitments we have made to maximizing local hiring and opportunities for minority and women-owned businesses. We take great pride in the fact that we will be constructing some of the nation's first multi-tenanted LEED Silver-certified green buildings.

One of the most exciting elements of our building plan is the construction of a food manufacturing and processing complex to meet the needs of this fast growing manufacturing sector. We are beginning to seek out tenants for these buildings.

Finally, please take note of the partnership we have entered into with the terrific local high school, Benjamin Banneker High School for Community Development (page 4). We hope that Navy Yard tenants will become actively involved in supporting these promising young students.

I look forward to seeing you around the Yard.

Andrew Kimball



Groundbreaking Ceremony at the Navy Yard

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"The Brooklyn Navy Yard is an outstanding source of jobs and economic development activity for New Yorkers, but it is filled to capacity and needs to grow so that more jobs can be created. This ground breaking is another terrific example of our Administration's determination to strengthen the city's industrial sector, which is a vital part of our economy. By helping to add hundreds of new jobs at



New Perry Avenue Building

this world-class industrial park, the City is also strengthening the economic health of its surrounding neighborhoods. A large proportion of Navy Yard workers reside in the nearby communities of Fort Greene, Williamsburg and Bedford-Stuyvesant, and we will make sure that this expansion provides further employment opportunities for neighborhood residents."

"Nothing demonstrates the Brooklyn renaissance better than the transformation of a symbol of our borough's industrial soul, the Navy Yard, into a modern, world-class urban manufacturing center that will create more jobs and employ green building principles and materials, which are always welcome in Brooklyn," said Borough President Markowitz. "The more products that say 'Made in Brooklyn,' the more Brooklyn's got it made."

"Thanks to Mayor Bloomberg and his Administration's extraordinary commitment to this unique industrial park, the Navy Yard will now enlarge its role as a vital economic development resource for the people of New York City," said BNYDC President and CEO Kimball. "We will continue to work closely with new and existing tenants to help ensure their success, and we will continue to work closely with the community to help maximize employment opportunities."

"The Navy Yard plays a critical role in the economic life of Brooklyn, and also in maintaining the strength of New York City's industrial sector," said BNYDC Chairman Alan Fishman. "Mayor Bloomberg has been particularly instrumental in promoting the Navy Yard's expansion, and we are proud to join him in breaking ground on the next chapter of the Navy Yard's rich history."

BNYDC, along with new and growing Navy Yard tenants, will bear expansion costs associated with construction of the seven new buildings, which will have an estimated value of \$106 million. Construction of the \$20 million Perry Avenue project – situated on an underutilized tract of land – is expected to be financed through JPMorgan Chase Bank, N.A. with the participation of other locally based banks. As an essential complement to expansion activity associated with new construction, the City's capital budget is providing \$140 million for infrastructure improvements at the Yard over the next three years. The Administration has already invested \$70 million in the industrial park's infrastructure.

In addition to the Perry Avenue project, the Mayor announced that partial demolition and rehabilitation work would soon begin at Building 128. Three new industrial buildings will replace a large, deteriorating structure. The new structures – focused on the fast-growing food manufacturing and processing sector – together represent 138,400 square feet of added capacity. A current Navy Yard tenant, Agger Fish Corporation, has signed a Memorandum of Understanding to serve as anchor tenant for the food industry complex. The company has entered into a land lease with BNYDC to build a new 20,000-square-foot facility to house its food manufacturing and distribution operations.

The Mayor also announced that two additional industrial buildings encompassing approximately 175,000 square feet of new capacity would be built using land to be made available through shrinkage of the NYPD tow pound at the corner of Sands Street and Navy Street. In addition to the added capacity, the tow pound redevelopment includes the renovation and preservation of the historic Sands Street gate entryway.

The 401,900-square-foot expansion represents Phase I of the Navy Yard's growth plans. Phase II of the expansion plan is being finalized and will include up to 1.5 million square feet of added industrial space in the Yard's eastern

portion. Taken together, the combined projected growth of 1.9 million square feet would expand the site's overall industrial capacity by nearly 50%.

In keeping with the Administration's commitment to increase energy efficiency and conserve water by building sustainable buildings, BNYDC will apply to the U.S. Green Building Council for a Leadership in Energy and Environmental Design (LEED) Silver rating for the Perry Avenue project. This is expected to be one of the few LEED Silver-certified, multi-tenant industrial buildings in the United States. BNYDC plans to undertake additional measures intended to transform the Navy Yard into America's "greenest" industrial park.

NEW CONSTRUCTION PROJECTS IN THE NAVY YARD WILL CREATE ADDITIONAL OPPORTUNITIES FOR LOCAL RESIDENTS AND MINORITY CONTRACTORS

The Brooklyn Navy Yard Development Corporation has a long-standing commitment to create employment opportunities for local residents and expand opportunities for minority and women-owned contractors (MWBE). The corporation has hired TDX Construction Corporation of Manhattan as construction manager for the Perry Avenue project and the tow pound redevelopment. TDX has committed to meeting the goals of Local Law 129 by awarding more than 30 percent of contracts under \$1 million to minority-owned firms. Overall, TDX has agreed to an MWBE contracting goal of at least 20 percent. The company has committed to a local construction hiring goal of at least 25 percent for communities surrounding the Navy Yard. In addition, BNYDC has entered into a strategic partnership with the New York City School Construction Authority, nationally recognized for its MWBE contracting and mentoring programs, to help facilitate MWBE contracting opportunities on Navy Yard construction projects.

To further expand local employment opportunities, BNYDC has entered into partnership with the New York City Housing Authority (NYCHA) to help ensure that the maximum number of community residents, particularly those living in the local NYCHA buildings find jobs in the Navy Yard. The Navy Yard is also working with Fort Greene SNAP, Williamsburg Works, the Brooklyn Educational Opportunity Center and Brooklyn Community Housing and Services to maximize local hiring.

The Brooklyn Navy Yard Employment Center has placed more than 1,000 people from nearby communities in jobs over the last four years. More than half of those jobs have been with companies operating inside the Navy Yard. More than 25 percent of the overall, permanent Navy Yard workforce comes from surrounding neighborhoods.