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# 2007 CEDS UPDATE

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## Economic Opportunity for Brooklyn, New York



“Public Place” in South Brooklyn, a brownfield site where New York City recently issued an RFP for redevelopment

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## Section 2 CEDS Committee Management and Membership

The CEDS Committee convenes under the auspices of the Brooklyn Economic Development Corporation. A not-for-profit 501(c)(3) organization, BEDC was founded in 1979 with funding from the U.S. Economic Development Administration for the purpose of creating and retaining jobs in the borough of Brooklyn. BEDC is the designated Overall Economic Development Planning organization for Brooklyn and operates a US EDA funded Revolving Loan Fund. As an organization, BEDC combines keen business skills with a broad knowledge of the geographic area it serves.

BEDC is a full-service business development organization whose scope of services includes community planning and revitalization; real estate development; entrepreneurship training; and technical assistance for new and established businesses. Helping to remove institutional and operational barriers that keep communities from accessing knowledge, employment, capital and markets is at the core of its activities. The Brooklyn Economic Development Corporation firmly believes in forming collaborative partnerships with organizations that are pursuing goals similar to its own. In this way, resources are maximized and more people can be reached with quality services.

The members of the CEDS Committee, which is reconstituted every two years, represent government agencies, elected officials, educational and health institutions, business development organizations and other entities. Its racial composition is reflective of Brooklyn. The CEDS Committee generally meets two times per year or when there are prospective projects to review. [Minutes of the 2005-2006 minutes are included in the Appendix to this report.] Its members for 2006 include:

**Dr. Lois Blades Rosado, Ed.D.**  
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**BEDC acknowledges, in no particular order, the following sources of information for inclusion in this report, and thanks those that have provided additional guidance:**

- **New York State Department of Labor**
- **NYC Department of City Planning**
- **Mayor's Office of Sustainability -- PlaNY-C**
- **NYC Department of Small Business Services**
- **NYC Economic Development Corporation**
- **US Bureau of the Census**
- **The New York Post**
- **US Department of Housing and Urban Development**
- **NYC Department of Housing Preservation and Development**
- **The US Department of Labor**
- **The New York Times**
- **Brooklyn Eagle publications**
- **Courier Life Publications**
- **The New York Sun**
- **SUNY Downstate Medical Center**
- **Brooklyn Navy Yard Development Corporation**
- **Brooklyn Chamber of Commerce/Brooklyn Progress**
- **Coney Island Development Corporation**
- **Atlantic Yards development website**
- **Downtown Brooklyn Partnership**
- **Kingsborough Community College**
- **Brooklyn Educational Opportunity Center**
- **Office of the Comptroller, State of New York**
- **STATS Indiana (prepared by the University of Indiana)**

## The CEDS Process

The Brooklyn CEDS Committee meets on an as-needed basis, generally to review and prioritize projects that have been submitted for consideration of funding. The committee has met at least once a year for the past five years. Not all the committee members are experts in economic development; they have been elected because they bring skills and expertise that add value and depth to the committee's discussions. CEDS members may be asked to participate because:

- They do in fact have an established background in the field of economic development, as directors of community-based organizations, as representatives of corporations that devote personnel to economic development activities, or as staff members of municipal agencies
- They may represent key industry sectors in Brooklyn
- They may represent a particular constituency that either impacts or is deeply impacted by changing economic development paradigms (e.g. immigrants, low income residents that may face displacement issues, environmental justice advocates)
- They can address issues related to economic development such as social impacts and they can bring a balanced view to the discussion – is all economic development inherently good, or are there unintended, unwanted side effects?
- They understand workforce issues and how to bridge the connections between the populations that economic development typically targets (unemployed, low wage, low skill residents) and the industries that economic development seeks to attract and grow
- They represent academic institutions that are themselves large employers, but also bring research capacity to the CEDS process
- They are or represent local elected officials who have the capacity to help champion, fund and implement projects

While the committee itself meets irregularly, its members cross paths at many times during the year. They are individuals whose public service is not limited to participation on this committee, but who also serve on boards of directors of organizations, as members of advisory and advocacy groups, as members of their local Community Board or neighborhood association, or as active participants in trade organizations. Oftentimes, these memberships overlap so that members of the committee may serve together on other projects. This web of relationships guides their holistic view of Brooklyn: Despite its geographic size and large population, Brooklyn is county that is highly networked. They come to the CEDS Committee knowing how to work together.

CEDS committee members have several responsibilities. These include:

- Reviewing the CEDS plan as it is being produced, and approve the final content
- Attending scheduled CEDS meetings and providing feedback and critiques of the projects presented
- Reviewing and approving funding requests submitted to USED A on behalf of Brooklyn projects to ensure their compatibility with the CEDS plan and their economic soundness
- Sharing their talents and expertise in helping to shape the policy positions and content of the CEDS report

- Sharing their resources and contacts with fellow committee members and BEDC staff to ensure that a truly comprehensive effort has been undertaken to gather input and information for inclusion in the CEDS plan.

How does the CEDS Committee function outside of its scheduled meetings? Operationally, much of the committee's work can be conducted using e-mail, which efficiently transmits information, allows for comments from multiple sources, and shares/distributes information easily with the larger group.

- The committee is invited to recruit projects for consideration of funding, using their own unique community networks
- Committee members are solicited for information for inclusion in the CEDS Report
- Committee members are invited to submit comments on the CEDS Report

How well has the CEDS Committee in Kings County performed? Logistical issues make more frequent meetings difficult to schedule:

- Members of the NYS Legislature are upstate in Albany at least 4 days per week, making their participation in Brooklyn meetings on any day other than Friday difficult. When the legislature is not in session, much of their time is devoted to constituent services.
- Members of Congress and their staffs are in Washington DC most of the week and have an active roster of activities when they are in Brooklyn
- Members with significant job responsibilities, such as CEOs of healthcare facilities, must prioritize their time for work-related activities
- Most members of the committee have multiple commitments, from their own jobs to other committees that they volunteer their time to

Despite those limitations, the Kings County CEDS Committee is a remarkably responsive body that takes its responsibilities seriously, as the committee minutes reveal. While a portion of its members may change from year to year, its representational composition, its breadth of experience, and its consistent vision of doing what's right for Brooklyn has never varied.

### Prior Year Projects

The U.S. Economic Development Administration funded two (2) Kings County projects in 2006-2007. The two projects are profiled and updated: The SUNY Downstate Advanced Biotechnology Incubator; and the Brooklyn Navy Yard Development Corporation feasibility study.

Of the funded projects, the Advanced Biotechnology Incubator continues to have the most visible impact. With the construction of two new buildings, and the plans in place for a third, larger building, SUNY has attracted a new high-wage industry to Brooklyn. EDA funds have leveraged over \$18 million in matching funds, and SUNY's plans for second and third stage biotechnology center at the Brooklyn Army Terminal ("BioBAT") have moved ahead significantly since the 2006 CEDS Report.

A summary of each of the project scope and results follow.

#### The SUNY Downstate Advanced Biotechnology Incubator (Public Works)

The Biotechnology Park includes a Biotechnology Incubator, a commercial chemistry facility, and space for biotech companies to expand. The Biotech Incubator offers start-ups and early-stage biotech companies 400-3,000 square feet wet/dry lab and office space with convenient access to Downstate's facilities and amenities.

Biotechnology is widely expected to be a major source of growth in the 21st century. According to a recent study conducted by the New York City Investment Fund, demand for appropriate commercial facilities is projected to grow between 850,000 to 1.7 million square feet over five years. These facilities must be available to companies at competitive rents and accommodate them as they expand from start-up to manufacturing.

***Evaluation and Recommendation:***

**Evaluation:** To date, the built incubator has leased space to 12 bioscience companies and 1 clinical unit (an endoscopy lab). Two rooms remain available for rental, but several prospects have visited the space and offers are expected. The incubator has attracted international attention from companies seeking to establish a research base in the US; most have found the incubator by searching the internet. The project has been built using \$24 million in government and private grants, of which EDA provided \$3 million over two project years. Additionally, \$371,000 in foundation and job training grants has been raised to support a lab tech training program conducted in conjunction with Hunter College of City University of New York; 12 students have graduated and been hired to date. And finally, in major accomplishment for the project, the International Aids Vaccine Initiative (IAVI) funded by \$24 million from the Gates Foundation, not only started and expanded within the incubator, but they recently signed a lease for 25,000 square feet of space at the Brooklyn Army Terminal, where they will add over 20 new jobs and proceed with advanced research, development and production. IAVI was courted assiduously by several states and chose to stay in Brooklyn because of the working relationship they had developed with SUNY that supported their early stage growth.

**Recommendation:** Support SUNY's application for Stage 3 funding to complete construction of the incubator on Parkside Avenue, since the early results indicate that this project does hold the potential for attracting companies with promise and retaining them in NYC, where they realize their full potential in job and revenue generation in an emerging/growing industry sector.

**Brooklyn Navy Yard Development Corporation – Perry Street Building (Public Works)**

In October of 2006, Mayor Michael R. Bloomberg and Brooklyn Navy Yard Development Corporation (BNYDC) President and CEO Andrew H. Kimball broke ground 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.

The City committed to the project “to ensure that a vibrant industrial sector remains part of our formula for city-wide economic success.” By helping to add hundreds of new jobs at this world-class industrial park, the City is also strengthening economic power in surrounding Brooklyn neighborhoods. A large proportion of Navy Yard workers reside in the nearby communities of Fort Greene, Williamsburg and Bedford-Stuyvesant.

Construction of the \$20 million Perry Avenue project – situated on an underutilized tract of land – was financed through locally based banks, with JP Morgan Chase Bank, N.A. as the lead bank and also including Sovereign Bank. US EDA provided \$1.5 towards the project as well. As an essential complement to expansion activity associated with new construction, the City's capital budget is providing \$140 million targeted toward infrastructure improvements at the Yard over the next three years.

**Evaluation:** The building is well under construction and is expected to be ready for occupancy in early 2008. BNYDC has used EDA funds for this and other projects, which has increased their capacity to leverage other, non-federal funds and resulted in quantifiable job creation. See Section 8, New Development Projects, for other projects that BNYDC is accomplishing in conjunction with the Perry Street Building.

## Proposed Projects

The CEDS Committee was presented with three projects for review and recommendations for 2007.

### **SUNY Downstate Medical Center Advanced Biotechnology Incubator – Phase 3 (Public Works)**

SUNY Downstate Medical Center has submitted a \$2 million funding application to US EDA for construction of Phase 3 of its Advanced Biotechnology Incubator. This expansion continues their goal to bring high tech, high wage jobs to Brooklyn and build on the strengths of the health services sector as outlined in Brooklyn's cluster work



The project proposes to:

- Build an additional 22,000 sq. ft. to complete construction of the initially proposed 46,000 sq. ft. Advanced Biotechnology Incubator
- Provide an affordable/nurturing environment for biotech companies
- Provide companies with access to Downstate's specialized research equipment, library, vivarium, seminars and clinical trials
- Create workforce training program opportunities
- Complete initial goal to create approximately 100 new jobs with \$80,000 average salary
- Phase III – Design and construct 22,000 sq. ft.. The project has received funding commitments of \$9.2 million to date, against a projected project cost of \$11.2 million. SUNY is seeking \$2 million in EDA funding to close that gap.

**CEDS Committee Recommendation:** SUNY has established a track record with US EDA projects, consistently meeting their project goals. This project will build on the success of Phases I and II, which have attracted tenants, and leveraged a large amount of other investments against EDA's funds, remaining debt-free developments. In addition, one of SUNY's first tenants, the International Aids Vaccine Initiative (IAVI) has outgrown the incubator to the capacity of developing a 25,000 square foot facility at the Brooklyn Army Terminal that will employ 60 people, and which has attracted \$25 million in funding from the Gates Foundation. SUNY approaches incubator development, not from a real estate perspective, but as an economic growth strategy, and Phase III will continue to embody that philosophy.

## Pratt Institute – 120,000 square foot Mixed Use Building on Myrtle Avenue (Public Works)



524 Myrtle Avenue will be a 120,000 square foot mixed-use building on an urban, commercial street that is undergoing revitalization. It will further extend Pratt Institute’s “footprint” on Myrtle Avenue, joining the existing Pratt Store, which is open to the public. Designed by Brooklyn-based architectural firm Studio A - WASA , the building will incorporate a number of “green” features; Pratt aims to meet LEEDS Gold Standard, and with sufficient funding, LEEDS Platinum. In July of 2007, Pratt received a Kresge Foundation Green Planning Grant to fund research during the schematic design process to create optimally efficient building systems. Pratt is also the recipient of a \$424,974 US Department of Education grant from their Fund for the Improvement of Secondary Education (FIPSE), which supports innovative educational reform projects that can serve as national models for improving postsecondary education.

The present owner of the site will participate in the project, and the ground floor, which he will control, will have retail spaces open to the public.

The building is estimated to cost \$49 million, of which Pratt is asking for \$1 million in funding from US EDA. Groundbreaking is planned for February 2008, with building occupancy in September 2009.

Programmatically, 524 Myrtle will provide space for:

- Student services, consolidating admissions, financial aid, the bursar and registrar

- The Pratt Center for Community Development
- A new home for Digital Arts, serving as an academic research facility expanding the reach and application of computer media and the arts; and
- Graduate art studios.

This building will help boost the ongoing revitalization of Myrtle Avenue and serve as Pratt's front door and most public face, providing a visual link to Pratt's neighboring communities, Clinton Hill and Bedford Stuyvesant.

Pratt institute enrolls 4,700 students in four schools. Its 27 acre campus was established in the late 1800's and its campus was enclosed in walls about 60 years ago – this new building will reestablish Pratt's link to the public street grid.

The project will create 150 construction jobs; and create 25 new Pratt jobs in addition to the 500+ Pratt jobs that already exist in the community.

Pratt also maintains a design incubator at the Brooklyn Navy Yard, where talented graduates and students can experiment with starting new businesses. Three businesses have emerged to date. An average of 70% of Pratt graduates (the enrollment is international) choose to stay in Brooklyn after graduation and many of them work in the arts and media industries in NYC.

**CEDS Committee Recommendation:** This project will further the revitalization of the Myrtle Avenue corridor, while growing the employment base of one of Brooklyn's larger institutional employers, Pratt Institute. While adding much needed commercial and academic space, the project also embodies and employs the latest technologies in "green" building development, which will serve as a model for other institutions. Also, this project is a public-private partnership, since the owner the property is an equity participant in the project.

### **Brooklyn Goes Global – Export Develop for Emerging Clusters (Technical Assistance)**

Brooklyn Goes Global (BGG) is the Brooklyn Chamber of Commerce's targeted marketing program for Brooklyn manufacturers competing in a crowded and challenging marketplace. BGG's tri-level strategy includes marketing and promotion, education and training, and technical assistance services. BGG's mission is to help Brooklyn based manufacturers and distributors sell their products into new markets – domestic and foreign – by providing representation at major trade shows, market research, buyer outreach, lead generation, referrals, and educational and networking opportunities.

Brooklyn Goes Global produces and participates in a number of events every year that puts Brooklyn manufacturers in front of potential customers from across the borough, the U.S.A. and beyond. BGG also initiated an umbrella marketing campaign, REAL BROOKLYN™, to capitalize on the popularity of the Brooklyn brand in order to build awareness to Brooklyn made food, fashion and furniture.

BGG produces a series of seminars and workshops designed to increase sales, reduce costs and enable manufacturers to qualify to meet the rigorous standards of major retailers. Speakers provide specific, practical and technical advice to help manufacturers prepare their products for the shelves of choice retailers.

BGG proposes a program with the emphasis on 3 industry clusters: Food, Furniture, and Fashion. These clusters have identifiers which BGG thinks need immediate attention.

- Survival because of increased costs.

- Assistance in keeping current employment levels and through planning for increased job opportunity. Note: The majority of manufacturing workers in the food Industry located in Brooklyn come from low income families.
- Containing current costs and helping identify strategies and planning for future growth and expansion

Further, BGG has identified a specific need in Brooklyn in support of the Baking Industry (bakeries and pastry manufacturers). There are over 250 area bakery manufacturers licensed to operate in the State of New York

BGG proposes to systemize current Borough of Brooklyn data, identified in the Brooklyn census

- Develop a database
- Develop “Health of the Business” questionnaires
- Conduct phone and web outreach
- Catalog and analyze questionnaires
- Conduct in person interviews with major manufacturers
- Develop evaluation tools with advisory team of companies.
- Engage key members of the community to provide access.

#### Import/Export

Through its international programs of Brooklyn Goes Global (BGG) has uncovered hundreds of companies and individuals based throughout the borough of Brooklyn who are involved in import/export or who desire to import/export. BGG’s interactions with other Chamber of Commerce organizations from other countries of interest have heightened our awareness of domestic entrepreneurs and manufacturers who have dual working relations: the country they originated from and the current home in which they are located.

Employment, business expansion, facility upgrade and strategies for growth in the economy, are all achievable.

BGG proposes:

- Gathering and systemizing current data
- Convening private and governmental organizations to develop strategies
- Creating, developing, implementing and controlling a quantified questionnaire
- Site Visits and Interviews
- Catalog and Analyze data
- Develop feasibility plan with achievable goals

After review and approval by EDA, a full scale plan with budget and full application will be formally submitted.

#### Other Projects Expected to be Submitted in 2008

It is expected that at least three (3) other projects will be submitted in 2008 for EDA funding. These Include:

- I. “BioBAT” at the Brooklyn Army Terminal (Public Works)



**SUNY Downstate, under a new corporation in which it is partnered with the NYC Economic Development Administration, will redevelop space at the historic Brooklyn Army Terminal for 2<sup>nd</sup> And 3<sup>rd</sup> stage biotechnology. SUNY will also house its Northeast Center for Disaster Preparedness at the site. IAVI, mentioned previously, is due to move into BAT in early 2008 in space separate from the proposed BioBAT space (due to timing issues), but will help fund and utilize the vivarium space that is being built at BAT. The Army Terminal was turned over by the Federal government to the City of New York in the 1970s, with the intent that the city redevelop it in a manner that would create jobs and retain industry. US EDA funded part of the infrastructure work needed to bring the building back on line. This proposed project will jump-start the rehabilitation and re-use of the last vacant portion of the complex, allowing the city to fully lease the facility.**

**The Project proposes to do the following:**

- **Build Phase I (130,000 sq. ft.) of 486,400 sq. ft. at BAT for biotech expansion and manufacturing**
- **Create high quality jobs – over 400 jobs/average salary of \$80,000**
- **Help retain biotech incubator graduates/recruit top scientists/students**
- **Attract tenants world-wide/form one of the largest biotech clusters in the nation**
- **Attract supporting businesses, forming an ever-expanding tax base**

**BAT is located on 97 acres in a NYS Empire Zone on the Brooklyn waterfront, convenient to water taxi service to Manhattan, an interstate highway and public transportation. .It is least expensive facility in NYC adaptable for immediate conversion into a world-class biotech facility.**

**The initial tenants include:**

- **International AIDS Vaccine Initiative (IAVI), supported by the Bill and Melinda Gates Foundation**
- **Downstate Medical Center vivarium (live animal facility) that will attract new companies to the site, since few areas of NYC are currently zoned and permitted for such a facility**
- **The SUNY Northeast Center for Disaster Preparedness, Training, Education, and Research, which will provide:**
  - **Training for hospitals and health care workers, coordination with uniformed first responders and civilians.**
  - **Research and Manufacturing in Disaster Preparedness**
  - **Coordinating with the New York City (NYC) Police Department, the NYC Fire Department, NYC Office of Emergency Management, the NYC Department of Health and Mental Hygiene, the NYC Health and Hospital Corporation, and the American Red Cross in Greater New York**

- Awarded a \$963,000 grant from the US Department of Education to set up a model program to train NYC public school personnel, and a \$55,000 grant from the Sloan Foundation.
- Helped form Protect NY, an academic/professional society of SUNY faculty devoted to research and education to protect NYS from terrorism/disaster.

#### **Costs/Funding/Developer**

Phase Three Properties, a biotech developer based in San Diego, responded to the RFP released to partner with BIOBAT for this project, and is currently in lease negotiations with NYC EDC for a master lease for the space. Phase Three is required to build out the space per tenant specifications and obtain financing to support the project, in which Phase 1 is estimated to cost \$66 million. New York State has committed \$42 million for the project. NYC has committed \$12.5 million, and the developer is expected to raise \$9.5 million through private debt or equity. The NYC Investment fund, which raises funds through the private capital markets, is expected to assist tenants with up to \$8 million in debt, mezzanine debt or near-equity for customized tenant fit-out.

### **II. Small Business Incubator on Pfizer Site (Public Works – faith-based)**

In 2007, Commerce Secretary Carlos Guitierrez took a tour through the Brooklyn district of Congressman Ed Towns in order to give context to constituent needs that the Congressman had expressed to the Secretary. In Williamsburg, the Secretary toured a site in the “Broadway Triangle”, a number of blocks currently owned by Pfizer, Inc., which has announced the closing of their Brooklyn manufacturing facility by the end of 2008 (see Section 6 of this report). At that time, one of the area’s faith-based organizations, the United Jewish Organization of Williamsburg (UJO) announced that, in conjunction with several other neighborhood-based organizations, it had approached Pfizer about obtaining a site in the Broadway Triangle in order to establish a small business incubator. The Hasidic community, which UJO represents, has a high level of family poverty, yet higher education is not an option for members of this highly entrepreneurial community—small business is a means for moving up the economic ladder for many residents. Similarly, the Latino community of Williamsburg also has unacceptably high levels of unemployment and poverty; while they are not prohibited from seeking advancement through higher education, many do not pursue this path to economic advancement.

The proposed incubator, a consortium effort led by UJO, will serve all members of the community to encourage small business enterprise development, and is expected to serve 50 to 60 new and emerging community-based businesses. Greenpoint Manufacturing and Design Center (GMDC), a prior EDA grant recipient and a non-profit developer, will also participate in the project.

Since the disposition of the Pfizer site had not been announced as of the date of this report, and there are still ongoing manufacturing operations at the plant, it is expected that UJO will submit a proposal to EDA once they have reached an understanding with Pfizer about the availability of space and the timetable for moving forward.

### **III. Creating a Wi-Fi Hot Zone in the Graham Avenue BID (Public Works)**

The Graham Avenue BID, a not-for profit agency, is comprised of 180 retail stores located within a 12 block area running from Broadway north along Graham Avenue to Boerum Street, with stores also on Moore, Cook and Debevoise Streets, part of Flushing Avenue, and Broadway from Flushing Avenue to Manhattan Avenue.



### Budget and Timing for WiFi Project

Based on information provided by the WiFi Salon, the project to WiFi Graham Avenue from Broadway to Boerum Street in East Williamsburg will cost around \$29K to build and require approximately \$10K for subsequent years for recurrent costs and maintenance. The network can be built (with portal) within three months.

The recurrent costs and maintenance for the network will be provided through dedicated yearly funding provided by the Graham Avenue Business Improvement District (and any grant monies the BID can secure). \$12K has already been included in the FY08 projected BID budget to supplement the initial installation. The BID is also soliciting a sponsorship for the network from Skype (a telephone service provider) and other private sector funding as well as seeking EDA consideration for the capital and construction portion of the installation. Any additional monies that are secured from the private sector will be used to expand and maintain the system to service the community.

Graham Avenue, also known as the Avenue de Puerto Rico, historically is comprised of an economically mixed Hispanic population located in the East Williamsburg section of Brooklyn, but the area is now experiencing rapid change. Many young professionals in technology, media and the arts living in the more affluent and trendy section of Williamsburg to the north/west are being displaced by rising costs and are now making East Williamsburg their new home.

Considering the BID's demographics, both present and future, The Graham Avenue BID proposes that a free public Wi-Fi Hot Zone be built along Graham Avenue from Broadway to Boerum. This network, with the community portal running on it, will help in three major ways. It would:

- Help local businesses by increasing foot traffic, improving marketing, enabling e-commerce and VOIP, with shifting demographics come shifting shopping patterns. Those small businesses that learn how to use technology best will best weather the transition. The BID wants to keep Graham Street, its main commercial street, relevant in a retail world increasingly dominated by big box and online stores.
- Address the Digital Divide by offering a free bilingual local portal in a Wi-Fi Hot Zone right in the middle of a densely populated neighborhood. The BID includes several schools and a Hispanic based college, so there's a natural fit.
- Support the young professionals coming to the neighborhood. With an eight block stretch of coverage, and some outdoor and café seating and indoor venues to sit in, we can make the BID more hospitable to mobile users.

#### **Benefits In Detail**

**The Wi-Fi Zone Will Help Local Businesses.** Having a local Wi-Fi Hot Zone will help small, local, minority owned businesses become more competitive with large retailers by improving their marketing capabilities and improving their operational efficiencies. It will:

- Increase foot traffic. A free wireless amenity will encourage more people to come to the BID and stay longer.
- Increase visibility. Our 180 BID members will be located on an interactive map on the Wi-Fi Hot Zone portal.
- Offer local businesses the ability to advertise, whether on the local community portal or online.
- Enable bilingual communications via the local community portal.
- Give local businesses internet access, so they can better track packages, order more goods, make VOIP calls, etc.
- Give local businesses the means to coordinate around street fairs, couponing, planning local improvements such as trees and benches.
- Enable digital (web based) signage and wireless kiosks.
- Enable local e-commerce / quick delivery. Local businesses can compete on convenience.
- The Wi-Fi Hot Zone will be an immersive location-aware experience. The BID will be a test-bed the latest in Wi-Fi and community software.

**The Wi-Fi Zone Will Address the Digital Divide.** A free Wi-Fi network in the Graham Avenue BID will:

- Remove part of the cost barrier that helps make up the Digital Divide. One may have a device – a laptop, PDA or an iPhone, but they cannot afford the \$20-\$40 a month required to connect via Wi-Fi.
- Enable VOIP, and make device ownership more attractive. Making VOIP calls can in short order pay for a \$200 Wi-Fi tablet. Along the way, the user would learn to browse, chat, and send e-mail on the device.
- Create other economic incentives to literacy by offering local e-commerce and local couponing.
- Create community driven incentives to literacy by featuring local directories and events, local content, local mapping.

- **Make the network more accessible by offering bilingual content. Latinos often face a double divide - - linguistic and technological. We want to bridge both.**
- **Increase computer literacy by enabling the creation of community generated content. People will be able to “tag” the neighborhood map with reviews and “sticky notes,” upload photos and video on the neighborhood.**
- **Teach where community Wi-Fi and the web are now, and involve social computing, Web 2.0 and wireless technologies.**
- **Aggregate local historical and cultural information. The portal will be an educational resource that encourages computer literacy and enables residents to conduct on line job searches and post resumes.**
- **We want the Wi-Fi Hot Zone to be a natural destination for local young people who want to experience their neighborhood in a new way.**

### **Support the Tech Savvy**

**More and more young professionals in media and technology are moving to the neighborhood, as areas like Williamsburg are priced out of their budget. The Wi-Fi Hot Zone will give these new residents:**

- **The means to stay connected and productive.**
- **Connect them to the neighborhood through the local community portal.**
- **Give them the means to create a technology community within the community.**

## Section Labor, Economic & Social Data

# 4

### 2006-2007 Brooklyn Labor/ Employment & Unemployment

Brooklyn (Kings County) continued to be designated Labor Surplus Area through September 2007, under the US Department of Labor guidelines.

Under Executive Orders 12073 and 10582, the U.S. Secretary of Labor is required to annually designate Labor Surplus Areas (LSAs) and disseminate this information for the use of all federal agencies in directing procurement activities and in locating new plants or facilities. The LSAs are designated to help direct federal procurement dollars to areas where unemployment is highest -- employers located in LSAs can be given preference in bidding on federal procurement contracts. LSA designations are also used in determining Food Stamp waivers under welfare reform legislation. A LSA is defined as an area with an unemployment rate at least 20% above the national rate during the previous two calendar years.

#### Unemployment Rate

As of June, 2007, the New York State Department of Labor recorded an unemployment rate of 5.6% for Kings County, representing 60,000 unemployed workers. This compares against a 5.2% rate for NYC overall; 4.5% for the State of New York overall; and a national rate of 4.7%. Brooklyn's rate is therefore 19% higher than the national rate (0.9/4.7).

However, the unemployment rate rose over a comparable period in June 2006, when the rate for Brooklyn was 5.2%. (55,000 unemployed). Comparable city, state and national rates in June 2006 were 4.8%, 4.4% and 4.8% respectively. So while the US overall showed a drop in unemployment over that one-year period, Brooklyn showed an increase.

#### Company Contractions And Expansions

The New York State Department of Labor has identified the following company expansions and contractions for Brooklyn:

##### Job Expansions:

- Steiner Studios in the Brooklyn Navy Yard has announced plans to nearly double in size, to 600,000 square feet through the renovation of an adjacent building in the Brooklyn Navy Yard. This expansion, which will house space for craft industries associated with television and film production, is expected to create 550 additional jobs. The Navy Yard itself saw an increase of 800 jobs among its other tenants for the period ending October, 2007.
- Amalgamated Bank will open at least one new branch in Brooklyn (its first here) in Sunset Park in 2007, as part of a city-wide expansion that may lead to other locations in Brooklyn. Other bank expansions in 2007 included Commerce Bank, Marathon Bank and North Fork Bank. The proliferation of retail bank branches in Brooklyn, which includes several new, one-branch sites, while not job intensive, is providing necessary services to businesses and residents in areas that were formerly underserved by banking services.
- The Fairway Supermarket opened in Red Hook in 2007, marking its first, non-Manhattan location. The store, located in a Civil War era building, employs 200 people.
- The IKEA, also located in Red Hook, is well into construction phase and is expected to open in 2008. Specific job numbers were not available as of the writing of this report. In addition, other retail is growing in Brooklyn: Target will open its 3<sup>rd</sup> Brooklyn Store in 2008 at Flatbush Junction, and the

Gateway Shopping Center in East New York, built on the site of former municipal landfill, is expected to add an additional 300,000 square feet of retail in 2008-2009.

#### Job contractions:

- Brooklyn is losing a significant manufacturing employer, Pfizer, Inc., which is in the process of closing down its Williamsburg plant, where Pfizer was founded in 1849. Pfizer has laid off over 200 workers at the end of 2007, and an additional 600 workers have been let go, or are scheduled to be let go through June, 2008 as Pfizer sets up redundant operations at other facilities around the world to replace production lines currently run out of Brooklyn. The loss of these jobs is significant, as they represent high-wage, variously skilled jobs with benefits, jobs not likely to be duplicated at other facilities in Brooklyn or New York City. Many of the workers have been with the company for over a decade.
- POP Displays, Inc., a manufacturer of plastic display ads for the retail industry, has announced that it will shut down its Greenpoint, Brooklyn plant if the owner of the leased property sells the building. POP has another facility in Yonkers, NY and employs 250 in Brooklyn and 700 in Yonkers. The NYC rezoning of industrial land in Greenpoint to allow for high-rise residential construction has put many companies who lease their space at risk; owners are not renewing leases and selling at large profits to residential developers.
- 2 Sunset Park manufacturers, Gussco Manufacturing (envelopes and folders) and Trimco (an apparel related company) have merged with other companies outside of Brooklyn. Gussco has already left, selling its property in Sunset Park. Trimco remains a tenant in the Industry City loft complex as details of their relocation are worked out.

#### Labor Force

2006 average labor force data for Brooklyn, compiled by STATS Indiana from US BLS data, indicates that Brooklyn has a labor force of 1,069,722, representing 0.71% of all US workers. This ranks Kings County 10<sup>th</sup> in the US in terms of labor force. This data also indicates that Brooklyn labor force grew by 18.2% over the ten-year period 1996-2006. The unemployment rate has fallen by 47% over that same period.

Over 900,000+ Kings County residents who work, about half of them work in Kings County. The rest commute to jobs in other counties. There is a corresponding inflow of non-resident workers into Kings County daily.

#### Establishments

2005 US BLS data identifies 42,377 private business establishments in Brooklyn, using NAICS data. These establishments provide 454,254 private sector jobs. 2006 NYS Department of Labor (NYS DOL) data differs slightly, showing 43,078 establishments with 460,605 workers. Health care, at 24.8%, provides the largest percentage of jobs in Brooklyn. Other significant employment sectors include retail at 9.9%. The remaining sectors, including manufacturing, wholesale trade, FIRE, professional and technical services, construction, generally fall within the 4-6% range. Sadly, Information technology accounts for only 1.8% of Brooklyn jobs.

#### Income and Wages

According to the US BEA, Per Capita Personal Income in 2005 was \$28,462, growing by 11% between 1999 and 2005, adjusted for inflation. This ranked Brooklyn 28<sup>th</sup> among 52 NYS counties and represented only 71% of the state average. This represented 82.6% of Per Capita Income nationally and ranking Brooklyn number 1058 among all US counties. As with wages, this is a marked decline since the 1975, when Brooklyn's income represented 94.1% of the US figure, or even 1995, when it represented 86.7%. This is in part due to the decline in average annual wages for jobholders as the

economy in Brooklyn shifts from a well-paying manufacturing economy to one showing highest growth in the retail and services sector, with little growth and development of high-wage, high-tech jobs.

Total Personal Income in Brooklyn in 2005 was \$71 billion, ranking Brooklyn 4<sup>th</sup> among 52 NYS counties and accounted for 9.3% of the state total. Net earnings accounted for 61.9% of total income. So although personal per capita income may be low for Brooklyn, the large number of residents who work and earn drives up total personal income against smaller, wealthier counties.

Median Household Income in 2004 was \$32,339, as reported by STAT Indiana. This represented a negligible decline of 0.2% from 1999 data, which is not a positive sign. However, data modeled by MapInfo, a private data demographics firm to which the Brooklyn Economic Development Corporation subscribes, reports that 2007 Median Household Income had jumped to \$41,734. Whether this represents a real income gain across the board, or simply reflects that Brooklyn's newer residents have higher income that impact the median is still to be determined. If median income were measured separately among different ethnic and racial groups, it would not be surprising to find that the real income gains are to be found among Brooklyn's White population, and there is stagnancy in other racial and ethnic sectors.

Average annual wages in Brooklyn are \$37,225 for all industries (including public sector) and \$35,908 if the private sector is counted separately, again according to 2006 NYS DOL. This represented 88.1% of the US annual wage average, ranking Brooklyn in the 436<sup>th</sup> position against all US counties. Total wages for Kings County for 2006 were \$17 billion.

By contrast, in 1995, Brooklyn's average annual wage represented 96.5% of the US annual average. As the next set of numbers indicate, this may in part be due to the decline of manufacturing jobs, many of which pay higher than the annual average for Brooklyn, to be replaced by lower paying retail and service jobs.

Wages per NAICS category varied widely. The highest wages were recorded for utility workers (\$88,389); heavy and civil construction (\$77,207); chemical manufacturing (\$80,151); telecommunications (\$69,363); FIRE (\$68,708) and Finance Investment (\$103,302). All these jobs require some degree of skill and educational attainment. Federal, state and local government jobs continued their well-deserved reputation for allowing workers to climb the ladder to the middle class: average wages came in at \$57,006, \$47,508 and \$55,117 respectively.

Mid-level wages (above the \$35,908 average) included general construction (\$46,914); specialty contractors (\$48,413); various manufacturers including fabricated metal manufacturing (\$44,175); computer and electronic components (\$52,603); transportation equipment manufacturing (\$43,247); wholesale trade (\$40,393). These numbers indicate that blue collar jobs requiring some skill level and not a high educational attainment are still solid wage payers. Therefore, the loss of manufacturing jobs, such as the Pfizer jobs, can have a significant future impact on the ability of workers to maintain homes, support their families and spend income on the local economy.

The NAICS sectors occupying the lowest rungs of the wage sector are also the sectors where Brooklyn is seeing its biggest job growth – retail and service. The average retail wage for Brooklyn was \$26,218. Average wages for general merchandise stores was \$20,199. Other wage categories that would make it difficult for a single wage earner to support a family include: food and beverage stores (\$20,996); sporting goods stores (\$15,993); social assistance (\$24,460); arts, entertainment and recreation (\$28,707); administration and support services (\$28,382); personal and laundry services (\$22,153). There are, unfortunately, many other categories where annual wages come in below the county average.

#### Earning Inflows And Outflows

- Brooklyn netted an inflow of \$30.3 billion of earnings in 2005, according to US BEA. This ranked Brooklyn 2<sup>nd</sup> among New York State's 52 counties, outpaced only by Queens County at \$31.5

billion. By contrast, New York County (Manhattan), with its many suburban workers and intra-borough commuters, showed an inflow of only \$7.4 billion. Between our resident workforce, and residents who work elsewhere and report their income here, most of the earnings come back to the local economy.

- In the outflow category, New York County easily ranked first in NYS, with \$147 billion in earnings leaving the county in 2005. Brooklyn, by contrast, saw an outflow of only \$8.4 billion, the result of fewer commuter workers earning less in wages.

## 2005-2006 Social Data

This section uses 2006 data compiled using various federal and local data sources. Data from Census 2000 is not included here due to its age; therefore certain data which has not been updated is not included in this report.

- The population of Kings County in 2006 was estimated to be 2,508,820 (CEDs note: not accounting for undocumented residents). Kings County recovered from a large population loss through the 1950s to the 1970s resulting from outmigration to the suburbs and other states, and its population has remained relatively steady in the 2.3- 2.5 million range since the 1980s. The population grew by 1.8% between 2005 and 2006, according to US Census data. Growth and stability will come from continuing immigrant migration and higher birth rates among certain ethnic groups, which accounted for almost 69,000 new residents in 2006 alone.
- The population is 50.6% White alone; 38.3% Black alone; 8.9% Asian alone and 0.5% Native American alone.
- Brooklyn is 19.8% Hispanic (of any race). Of Latino groups, the predominant country of origin is still Puerto Rico at 8.5% of Brooklyn's population overall, with smaller proportions of Cuban, Mexican and "other." These results may not be accurate since many of the Mexican and Central American Hispanics may not be counted due to undocumented status. The Puerto Rican population declined by almost 20% between the 1990 and 2000 Census.
- Females represent 52.9% of Kings County residents
- The foreign born represent almost 38% of the population of Kings County; almost 47% of households report a language other than English is spoken at home
- Of residents 25 years of age or older, 69% of Brooklyn residents are high school graduates; 22% have a bachelor degree or higher
- 12% are 65 years or older. 26% are under age 18.
- The 2004 Poverty Rate was 23.8%, which is within 2 percentage points of the rate over the past two decades. It is unclear if this number represents perpetuation of poverty across generations, or is attributable to the constant influx of poorly educated, poorly paid or unemployed immigrants.

## 2005-2006 Housing Characteristics

Brooklyn still has more renters than owners. According to the 2005 US Census American Community Survey of Kings County Brooklyn, only 30.1% of housing units are owner occupied. More than double that number, 69.9%, are renting. This ranks Brooklyn 3<sup>rd</sup> among US counties in the number of renters and Brooklyn renters represent 30.8% of all US renters. Over 51.8% of structures in Brooklyn contain 5 or more units; one-family houses represent only 15.7% of Brooklyn's housing stock. And despite a building boom, over 92% of Brooklyn's housing stock was built prior to 1980. Some other data includes:

- There are an estimated 947,000 housing units in Brooklyn

- **44.5% of owners pay more than 30% of their *household* income on housing costs; the median mortgage payment is \$2,043 per month, not accounting for other maintenance costs**
- **The median value of a home in Brooklyn is \$471,000**
- **50.3% of renters pay more than 30% of household income on monthly rental costs**
- **The median gross rent in Brooklyn is \$869**
- **Building permit activity is high, indicating new construction or significant building alterations: In 2005, there were 9,028 permits filed; 105 for single family; 926 for two family; 2,268 for 3-4 family; and 5,729 for 5+ families. The multi-family permits represented 18.1% of all multi-family permits nationwide, and were valued at \$421 million.**

### Initiative for a Competitive Brooklyn (ICB)

The Initiative for a Competitive Brooklyn (ICB) is a competitive assessment and strategy initiative for Brooklyn.

The overall goal for ICB is to create a high and rising standard of living for Brooklyn residents by increasing the productivity of firms. BEDC received \$525,000 in public (US EDA) and private funding to begin the work of ICB in 2003.

Based on the model developed by Harvard Business School Professor Michael Porter, the project identifies and implements market-based strategies to increase the productivity and competitiveness of the Brooklyn business base so that Brooklyn residents can have better, higher paying jobs. Economic and demographic activity in Brooklyn is particularly dynamic, with a large and ever-changing immigrant population, major shifts in the mix of employers and jobs and rapidly rising real estate values. This situation demands focused, inclusive planning for the future, with in-depth analysis of market and labor force trends in Brooklyn and of the regional, national and international forces that drive them.

An extensive summary of the results of the first phase of ICB, which included analysis and recommendations for the health care, ethnic and specialty food producer, cultural and tourism, and real estate, construction and development clusters will be found in the 2006 CEDS report. In summary, some of the successes of ICB include:

- A not-for-profit corporation, The Brooklyn Nursing Partnership, was successfully founded and funded with seed funds from private foundations. BNP unites all of Brooklyn's hospitals and nursing schools in an effort to recruit more instructors, thereby increasing the number of students who can enter nursing programs (the profession is experiencing a shortage of nurses nationwide), and working to increase enrollment and graduation rates among minority students. BNP will seek government funds to support its programs as it matures organizationally.
- An interactive website, [www.foodfromny.org](http://www.foodfromny.org), was successfully launched to serve New York City's food production firms in sharing information and best practices, engaging in cooperative marketing, and identifying space for relocation and expansion. The Brooklyn Navy Yard, recognizing the need for state of the art space for food producers, has begun construction of a multi-tenant building that will meet the needs of this industry.
- A Destination Marketing Organization (DMO) called *Brooklyn Tourism* was created and has used its resources to promote Brooklyn as a tourist destination worldwide. *Brooklyn Tourism* has manned booths at travel shows in Tokyo and London, and attended the Cruise Line Industry Association (CLIA) show in Florida. In addition, Brooklyn's cruise line terminal was opened in April of 2006 and has become the NYC home port of the world's largest ocean-going cruise ship, the Queen Mary 2, as well as the QE2 and other cruise ships.

### ICB 2007 Forward

Brooklyn Economic Development Corporation (BEDC), the sponsor of ICB, will continue to use \$296,168 funding from the U.S. Small Business Administration to continue ICB's work. SBA funding for the project will expire in April of 2008, but replacement funds are being sought.

BEDC used SBA funds in 2006 and early 2007 to hire staff, support continuing business cluster support work, conduct and disseminate research on business cluster formation strategies, and help

establish a stable base for ICB as an institutionalized entity for economic development in Brooklyn, New York.

The *Initiative for a Competitive Brooklyn (ICB)* was designed as a competitive assessment and strategy initiative for Brooklyn. The overall goal was to create a high and rising standard of living for Brooklyn's low income residents by implementing industry-specific strategies that would increase the productivity and profitability of firms, thereby stimulating the creation of "good" jobs. The official mission statement reads as follows:

*"ICB seeks to spur the creation of new job opportunities that can be made available to low income residents, in order to raise their standard of living."*

Beneath that overall Goal, however are several subordinate goals that we will work to achieve in the grant period and beyond:

- Achieving sustainability for ICB, through its programming and establishing the legitimacy of this economic development model as a means of spurring job development, and proving that case
- Building new public/private collaborations that will serve to encourage development and investment in Brooklyn, especially in communities where economic vigor is lacking.

#### Recent Work

The ICIC method uses the analysis of economic and demographic data and with the input of experts to identify industry types with special local competitive advantage. Within Brooklyn, four (4) industry clusters have a competitive edge compared to NYC and its adjacent region. They are: Health Care; Real Estate; Construction & Development; Food Processing; Hospitality and Tourism. A report on these clusters can be found at <http://www.bedc.org/Cluster-Update-7-07.pdf>.

While updating this research in 2007, it became clear that a new cluster has emerged in Brooklyn - the self-employed individual. ICB assembled a committee of individuals who represent or study various aspects of the group. The committee is composed of self employed professionals in financial services, marketing, design, journalism and the arts, and also economists, advocates and government agencies associated with small businesses. ICB's focus will be those self-employed businesspeople with the aspiration and opportunity to create new living wage jobs through expansion and growth.

ICB observed that all self-employed individuals, regardless of profession, encounter four (4) common impediments to growth: legal, insurance and tax support; real estate options for expansion and distribution; marketing, advertising and networking for business development; and access to capital. ICB will explore and refine programmatic approaches to meeting these milestones for the balance of 2007 and into 2008.

#### Summary Discussion

The Self Employed cluster, which according to the Bureau of Economic Analysis (BEA) has created 65% of the city's new jobs over the past three decades, is vibrant in Brooklyn, which is home to 26.6% (184,000) of New York's self-employed population, more than any other borough. In the past five (5) years, self-employed individuals have grown 18% alone, from 154,000 to 184,000. However, an accurate census of self-employed workers in Brooklyn is challenged by both income reporting undercounts and by dual-occupation workers (e.g. dancers who file taxes as waitresses).

ICB found that white and immigrant communities have larger concentrations of self-employed individuals, generally 25-85% more than low income areas and neighborhoods with more minority residents. Different occupations are dominated by different demographic groups; home health aids, child day care workers and construction workers live in African American and immigrant communities,

while the creative professions are concentrated in the predominantly white stretch of neighborhoods from Williamsburg, through Fort Greene to Park Slope and parts of Red Hook.

Within the Creative cluster, “independent artists” and “writers” represented by far the greatest number of workers, representing some 65% of the entire Creative subgroup. There is empirical evidence of strong presence in Park Slope, Williamsburg, Ft. Greene, Red Hook.

Professional Services such as certified public accountants, tax preparation Specialists, and computer programmers are generally evenly distributed, with a more modest presence in minority neighborhoods and less affluent areas. Their dispersion patterns suggest that proximity to local customers influences location.

ICB parsed the Health Care cluster and find that the relatively low-paying professions of child day care and home health services dominate self employed workers. While places of work are also spread over Brooklyn, residential prominence is in African American and Caribbean American neighborhoods. ICB know that the population is overwhelmingly female.

Contractors in Brooklyn reflect major changes in the landscape of real estate and construction activity in the past 5 years. The number of very small residential construction companies has grown (from 400 to 800, 100%), while the number of large firms has stayed flat; however, in absolute number of employees, the jobs increase is marginal (36,250 to 36,500, 0.7%). These data contradict the 110% rise in the number of building permits from 2002 to 2005 and the 140% rise in the value of those permits (same period). The data supports our awareness of a widespread undercount and misclassification of construction workers, particularly in renovation and new, small scale affordable housing construction.

Sole proprietor and very small food processing remains an area for further investigation. While small as reported (317 in 2005, or 0.2% of all self-employed workers in Brooklyn), the undercount factor is significant, since much of this product is a secondary business or a byproduct of a larger food service or retail effort.

### Recommended Actions

ICB’s primary goal is to help entrepreneurs who wish to grow their businesses overcome the obstacles they face. These include: tax and regulatory issues; the need for solid and accessible training in marketing techniques and strategies; the availability of affordable space; access to capital. In creating an environment where these self-employed individuals can be successful, the Brooklyn Economic Development Corporation and the Initiative for a Competitive Brooklyn advocate the following:

- The simplification of the tax code for self-employed individuals, especially of the New York City Unincorporated Business Tax either by a cap at \$250,000 as advocated by the Freelancers Union or some other means.
- ICB, following market research, will create and launch SelfEmployedBrooklyn.org, a comprehensive online resource guide for the self-employed worker in Brooklyn.
  - The site will provide information regarding regulatory, tax and licensing issues and the myriad city, state and federal agencies which come in to play.
  - A significant portion of this site, which will be launched with a comprehensive marketing and outreach strategy, will consist of an online community where self-employed individuals may discuss issues, address each others needs and trade goods and services.
- The creation of business incubators, collaborative work space, studio space etc.
- Expansion of micro and short term loan programs for self-employed entrepreneurs.

**ICB's secondary goal is to expand entrepreneurship in underrepresented neighborhoods through existing programs and to advocate, primarily in partnership with other organizations, the proper classification of de facto wage and salary workers currently listed as self-employed.**

Because Kings County (Brooklyn) is part of a city and region with enormous economic impact, it must be looked at in that context. There are many factors, internal and external, that can either bolster Brooklyn's economy, or act as a detriment. Some of those factors, positive and negative, are identified below.

**Closing of Pfizer, Inc. Manufacturing Facility in Williamsburg.** On January 23, 2007, drug-making giant Pfizer announced it would shut its historic Brooklyn plant, eliminating 600 jobs, as part of the company's worldwide effort to trim operating costs in the face of declining profitability.

The Williamsburg facility on Flushing Avenue, started in 1849, is the birthplace of the world's largest pharmaceutical firm, which said it expects to lose \$14 billion in revenues this year as patents expire on many of its crucial top-selling drugs, opening the market to their less-costly generic versions. An estimated 600 positions from technicians to manufacturing operators to staff will be lost at this site by September 2008, in addition to 200 layoffs at the end of 2006.

The site makes popular prescription drugs, such as the antibiotic Zithromax and the antidepressant Zoloft, and assembles sample packages of Viagra. However, Pfizer spokesman Brian Haskins said the patents for many of the drugs manufactured in Brooklyn had expired, dramatically affecting revenues. For example, when Zoloft lost its patent last year, company earnings dropped 15 percent.

Pfizer has offered a severance plan that will include severance pay, retraining and medical coverage for at least several months.

It is presently unclear what will happen to the actual building after the plant closes, but City officials said they are considering the site for affordable housing. The charter school next to the plant - The Beginning with Children facility, which Pfizer helped start - will remain.

Excerpted from a 1/23/07 article by Kate Sheehy in the New York Post.

**Terrorism/Disaster Preparedness.** The devastation wrought to New Orleans following the hurricane caused coastal cities throughout the United States to conduct a reality check on their disaster preparedness, analyzing the plans for soundness and implementation feasibility. NYC was no exception. NYC has an Office of Emergency Management that administers a Coastal Storm Plan (CSP) which dictates how the city would respond to a coastal storm emergency. The plan "details the protocol of informing, evacuating, and sheltering New Yorkers in the event of a devastating hurricane." This scenario is not highly speculative, since much of NYC sits at water level and is vulnerable if a Category 3 hurricane hits the northeast coast of the US. In fact, "Nor'easters" have done considerable damage to parts of Brooklyn in the past, especially in the southern area of the borough, where much of the buildable land was created by filling in creeks and marshes close to the shoreline.

After the hurricane, major insurance companies like Allstate assessed the risk in NYC to be too high and stopped writing homeowner policies, reducing the pool of companies that Brooklynites could turn to to insure their homes, and driving up insurance costs considerably; these increases came on the heels of the huge increases in insurance that were precipitated by the 9/11 attack on the World Trade Center, where commercial and residential insurance customers were forced to pay a premium for

**“terrorism riders” or risk waiving all insurance payments from damages resulting from a terrorist attack.**

**In September 2007, NYC announced a competition to design urban housing for use after a disaster. Called “What If New York City...”, the competition sought innovative approaches to sheltering victims in the aftermath of a disaster. The project created a fictional neighborhood for competitors to respond to, and the effort is supported by the Rockefeller Foundation and Architecture for Humanity – New York. The winner is expected to be chosen in May of 2008.**

**While the “What If New York City..” competition deals with housing, other disasters can befall New York City that do not cause wide-scale damage to the physical infrastructure. These include pandemics of major diseases without known treatment or cures, terrorism attacks using poisonous gases and biological agents, and major catastrophes such as bridge or highway collapse. In response to NYC’s need to rapidly address disasters of all sizes and shapes, Brooklyn’s own SUNY Downstate Medical Center, a recipient of US EDA funds for the biotech incubator project, has developed the Northeast Center for Disaster Preparedness (NECDP), which will train first responders such as fire and police personnel, medical response teams and others to quickly and adequately respond to local disasters. Based at a new center in the Brooklyn Army Terminal, NECDP will use classroom instruction and simulation drills as training tools. They will begin operations in 2009 with state and federal funding to support its efforts.**

**Competing interests for limited land. This issue was highlighted in the 2006 CEDS Report. Hungry for housing, NYC continues to rezone parcels of land previously designated for industrial and commercial use for use as housing sites. While industries such as manufacturing have declined in NYC, the rezonings have the unintended effect of placing intense pressure on those that remain; while existing users are “grandfathered” into rezoned areas, if they do not own their own property, they are often displaced by landlords who do not renew leases, seeking instead to sell their properties at high profits to housing developers. The Mayor’s housing plan calls for still further rezoning for non-industrial uses. While creating “Industrial Business Zones” where industry is protected and violations against illegal conversions of buildings into housing are more strictly enforced, that designation is not written into law, so that designation may expire when a new Mayor comes into office in 2009 (the current Mayor cannot serve another term under NYC’s term limits law).**

**In Brooklyn, one example of how the demand for housing can impact businesses at all levels, the Moore Street Retail Market in Williamsburg, one of the last three Public Markets in NYC created under Mayor Fiorello LaGuardia, was recently put at risk when public agencies decided that the market was not profitable enough to save, and slated the market for demolition and redevelopment as market rate housing. Because this market is so intrinsic to the cultural life of the community, however, strong public support for its retention seems to have given the market a reprieve. But its continuation will depend on its ability to begin operating without public subsidy, a high bar to achieve when all of the tenants are local “mom and pop” businesses selling fruits, vegetables and sundry items that do not have a high profit margin.**

**Immigration. The national debate over immigration policy seems moot in New York City, which has long depended on its immigrants, legal and illegal, to help support and drive the economy. The 2006 CEDS Report reported at great length on the dynamic entrepreneurial activities of Brooklyn’s immigrants, who start new businesses in high numbers, and reinvest in their local communities. Similarly, they are an integral part of the City’s lower wage labor pool, taking jobs in the service economy – office cleaning, restaurant bussing, landscaping and gardening, parking garage attendants – jobs that are not coveted by the city’s resident population. While the continuing influx of undocumented, poor immigrants into NYC may place stresses on the healthcare and education systems (uninsured patients, increasing need for ESL programming in schools), the lack of overt hostility to these individuals in NYC as compared to other areas of the country would seem to indicate that NYC immigrants are an accepted and acknowledged segment of the population.**

**Environment.** Water quality and delivery, reliability and availability of energy resources, and air quality are all environmental issues that NYC must deal with on a regular basis.

**Energy.** Coupled with a housing boom, the integration of technology into even the most mundane, basic household products, and the information technology explosion, the demand for energy in NYC is beginning to exceed the capacity of existing energy resources. The response to this problem is to encourage energy conservation while developing sustainable clean energy alternative to fossil fuel burning plants that still power much of NYC. And although there are energy companies fighting to build new plants in NYC to accommodate the demand, local resistance to new facilities is very strong – TransGas Company, a private energy company, purchased land on the Greenpoint waterfront several years ago with the intent of building a new power-plant there. Despite their reassurances that the facility would be landscaped to disguise its presence and that it would use innovative technology to dramatically reduce air stack emissions, community opposition has been so strong that TransGas has fought a multi-year court battle to establish its right to build on the site, which was properly zoned for that use when they purchased the property. Recent community interventions may result in a state law written to specifically prevent the siting of a power plant on this site. The Mayor's office has offered an alternative site on the nearby Newtown Creek, a polluted industrial canal that separates Brooklyn from Queens, but community activists advocating for a clean-up of the Newtown Creek similarly oppose another potentially polluting use on the shore.

At another site in Sunset Park, however, Astoria Generating Company, which already operates a 560 Mega-watt facility, is working with local environmental justice groups on a proposal to expand its facility to produce an additional 150 megawatts. In pledging to continue to work to reduce its emissions, this facility may win local support, however.

Without adequate energy resources, NYC's economy is at risk. The Mayor's office is proposing the development of new, clean power plants that will replace aging and polluting plants already in the city. Community opposition will continue to be an issue however, and identifying private companies willing to take on the sizable financial investment needed to build such plants will be difficult. Therefore, the Mayor is also proposing financial incentives to encourage the city's largest energy users to reduce demand. Since NYC facilities energy demands currently cost the city over \$6 billion annually, energy efficiency in city facilities is an integral part of this strategy.

To implement this strategy, the city will seek state legislation to create a NYC Energy Planning Board which will oversee the city's energy planning needs.

Although this plan is a long-term plan, there are recent projects that will help move NYC in the right direction:

- Public and private investment helped establish a biodiesel fuel facility in Red Hook, Brooklyn, where waste fat from NYC's many restaurants can be collected and converted into biodiesel fuel for use in cleaner burning automobiles and trucks.
- A developer, also in Red Hook, is converting two empty grain silos into "windmills" that have the capacity to power one of his buildings. He previously installed a state of the art cogeneration facility that also uses waste heat to reduce his energy consumption.
- The Brooklyn Navy Yard has revised its infill development program to encourage maximum build-out on its new sites, so that the new structures make more efficient use of space and allow a greater density of users. The structures will also be energy efficient and incorporate green building elements.

**Air Quality.** Poor air quality resulting from greenhouse gas emissions not only affects public health and safety (driving up asthma rates), it also takes a toll on the city's infrastructure, eroding metal and

concrete in buildings and bridges and driving up maintenance costs. The city has announced an aggressive strategy to reduce emissions by 30% by 2030 from sources such as buildings, automobiles and power plants. A centerpiece of this strategy is “Congestion Pricing”, which seeks to significantly reduce the number of cars entering Manhattan below 96<sup>th</sup> Street by charging an \$8 toll to cars entering from any point north, south east or west of this area of the city. The city has applied for and has received federal funds to implement this strategy, but since NYC requires state “enabling” legislation for a project such as this, a study is being conducted before the state will grant approval to this project. While the administration has received widespread support for this strategy from environmental and community groups and it has conducted a series of public hearings to elicit community feedback, opposition to the plan, rather than acceptance, seems to be growing. Neighborhoods adjacent to the zone fear that suburban commuters will drive into their communities, park their cars all day on neighborhood streets and create traffic jams as they arrive and leave in the morning and the evening. Coupled with that is the issue that residents of the other boroughs of NYC, including Brooklyn, will have to pay a fee for entering Manhattan. With the recent proposal from the Mayor’s Congestion Pricing Commission to reopen the argument for placing tolls on the 3 East River bridges (Brooklyn, Manhattan and Williamsburg), opposition from the other boroughs has become even more vociferous. As of the writing of this report, the outcome of this plan is unknown, and federal funds may be at risk if the state legislature is not convinced to enact legislation that allows the plan to move forward.

**Water Quality.** The availability of abundant, clean drinking water is essential to the New York City economy. And although NYC uses an upstate reservoir system to supply its drinking water, it still has numerous underground aquifers that feed into the local waterways, and sewage overflow systems that send tons of untreated wastewater into the local waterways that surround virtually all of NYC (where every borough except the Bronx is in effect an island).

New York City has been constructing a monumental third water tunnel hundreds of miles long to bring water from upstate New York into the city. The two tunnels currently in operation were built at the turn of the 19<sup>th</sup> century, and if one of them were to fail, there could be catastrophic results to NYC’s water supply. Because NYC owns thousands of acres of land surrounding its upstate watersheds, the reliability of the city’s drinking water supply is not in question, especially after the completion of the 3<sup>rd</sup> water tunnel. A proposed water filtration plant, to be constructed near the city’s Croton Reservoir will further insure the purity of NYC’s water and protect it from biological contamination from natural sources or terrorist activity.

The bigger challenge is the clean up and protection of NYC’s commercial and recreational waterways. To prevent sewage run-off, which can foul beaches and shorefronts when heavy rains overwhelm the city’s sewage treatment facilities, the city plans on upgrading its wastewater treatment infrastructure, plant thousands of additional street trees to absorb water before it reaches the sewers, protecting wetlands that buffer the city’s waterways and filter out waste, and integrate new green building technologies, such as green roofs and permeable paving materials, that reduce run-off from buildings and pavement.

This is more than an engineering necessity: as a city surrounded by water and with a public demanding increasing waterfront access for recreational and aesthetic uses, the attractiveness of NYC as a place to live and work is impacted by its ability to reclaim, restore and sustain its local water resources.

**Solid Waste.** The city’s Solid Waste Management Plan was discussed in detail in the 2006 CEDS Plan. That plan is proceeding, with marine transfer stations coming on line to move more of NYC’s waste by barge rather than truck (keeping a projected 35,000 truck trips off NYC streets annually), and to construct the Hugo Neu recycling plant in Brooklyn to handle plastic, glass and metal waste.

**Infrastructure**

- **Highways.** NYC's highways, bridges and roadways were primarily constructed in the early 20<sup>th</sup> century and are in constant needs of maintenance, repair and replacement. With the decrease in rail freight transportation and the national and local dependence on trucks to transport and deliver goods, the need to maintain infrastructure that takes considerable stress on a daily basis is critical. After NYC's fiscal crisis in the 1990s, the city has made a concerted effort to avoid the deferred maintenance that imperiled the city's ability to move people and vehicles to and through the city. Yet, the aging infrastructure remains a constant demand on financial and manpower resources.

The largest infrastructure issue confronting Kings County is the deteriorating state of Interstate Highway 278, locally called the Gowanus Expressway. Built in the 1940s on the elevated trestle of the "3rd Avenue El", a train that carried passengers over the Brooklyn Bridge until train traffic on the bridge was permanently suspended, I-278 connects the Verrazano-Narrows Bridge to the west with the Brooklyn Battery Tunnel to the east, and links to the Belt Parkway to Long Island (passenger cars only), the Prospect Expressway towards Coney Island, and the Brooklyn Queens Expressway to all points east and north. Engineering studies conducted in the 1980s revealed extensive deterioration to the steel deck and roadway. The highway has been in a continuous state of repair and re-construction since that time with frequent lane closings, resulting in regular bumper to bumper traffic on the area's only interstate highway link. The NYS Department of Transportation is preparing an EIS that will support permanent improvements to the highway. Exploring both elevated and tunnel alternatives, the EIS is expected to be completed in 2010, with anticipated construction of the chosen alternative to begin in 2013. While local stakeholders have lobbied heavily in favor of the tunnel replacement option, the massiveness of such a project (similar to Boston's "Big Dig") has been met by skepticism by many engineers. In either scenario, the traffic disruption is expected to cause a lot of stress to the local communities as over 300,000 vehicles and trucks per day will have to be diverted onto local streets during the construction period. This will be an economic factor in NYC, unless other means of getting cars and goods into and out of the city are identified that can bypass the construction zone.

A second public works project with considerable economic impact will be the massive reconstruction or replacement of the Kosciuszko Bridge, at the Brooklyn – Queens border, from Morgan Avenue in Brooklyn to the Long Island Expressway, which travels out to Riverhead on eastern Long Island. With federal highway funds, NYS is currently preparing an EIS that will address whether or not the current bridge will be repaired and expanded, or if a companion bridge will be built alongside, as many other cities have done when an older bridge becomes obsolete. This bridge carries an enormous amount of truck traffic to Queens and beyond, and is a feeder bridge to Kennedy Airport, where much of NYC's air freight is marshaled.

- **Rail.** In part to address the deterioration of the highway infrastructure, but also to reduce air emissions and maintain the region's security, the "Cross Harbor Rail Freight Tunnel" has been proposed and is under study. After 9/11, it became obvious how much of NYC's food supply and other essential products (such as fuel) needed to be delivered by truck from points north and west of the city. The George Washington Bridge carries over 90% of the goods brought into NYC. In the event of the destruction of even one major bridge, NYC's population and economy could be severely compromised. NYC is the only major city in the US not directly connected to the nation's rail freight system.

Supporters of a new rail freight tunnel to run from New Jersey into Sunset Park, Brooklyn, over the existing underutilized Bay Ridge Line proffer statistics that estimate that the amount of freight entering NYC will increase by nearly 80% by 2026, resulting in an unmovable traffic gridlock across NYC. They estimate that the tunnel will pull at least 1 million trucks off the streets annually, resulting in better air quality. They also estimate that the project will generate 23,000, new permanent jobs in NYC.

While the tunnel proposal received a lukewarm political reception in the beginning, and the community in Maspeth, Queens that would be at the terminus of the tunnel objected to the increased truck traffic they would see, the plan is now being reviewed more seriously, given NYC's PlaNYC proposal; its claim to reduce 62,000 tons of greenhouse gases annually, reduce 1.6 million miles of truck traffic annually, and the fact that a single truck causes the equivalent damage of 3,000 passenger cars on local roadways annually, have caused the Mayor's Office of Sustainability to take a fresh look at the plan. Congressman Jerrold Nadler, a long term proponent and supporter of the project, has obtained federal funds to seriously evaluate the feasibility of the freight tunnel.

**Port Facilities.** When the 2006 CEDS Report was submitted, it was widely accepted that Brooklyn's last remaining containerized port facility would be closing down when its lease with the Port Authority of NY and NJ expired. PANYNJ states that the Red Hook Containerport, operated under a lease with a private firm, American Stevedoring, requires too much subsidy to operate and that it will never reach the capacity it needs to be self-sustaining. At the same time, the City Of NY was seeking to expand its cruise ship terminal, homeport to the Queen Mary 2, to allow additional recreational ships to use the facility – they had negotiated with PANYNJ to transfer the piers to them after American Stevedoring was evicted. In 2006, the NYC Council, however, introduced a bill to block the rezoning of the piers for recreation vessels, citing the 400 to 700 jobs at the terminal, and the need for NYC to maintain cargo facilities. They cite information that American Stevedoring has had to turn away business because the uncertainty about its future has prevented them from signing long-term leases with international freight carriers. At the same time, the cruise ship terminal, expected to create 400 permanent jobs, has recorded just 14 since its inception; since cruising is a seasonal activity, the cruise lines ferry personnel from port to port as the demand arise, resulting in mostly part-time seasonal jobs.

It is now expected that a new lease will be drawn with American Stevedoring, preserving Brooklyn's only containerport operation.

#### Public Transportation

- **Subways and Commuter lines.** No major subway line improvements are in planning for Brooklyn. Over 1 million Brooklyn residents use the NYC Subway system daily for work or leisure related activities, making it perhaps the most vital form of transportation for the average resident of the county. Congestion Pricing, discussed earlier in this report, may result in increased transit ridership through Brooklyn to Manhattan, if it is enacted.
- **Ferries.** As reported in the 2006 CEDS Report, ferry service is rebounding in Brooklyn, especially in less transportation accessible areas on the waterfront where luxury condominiums are being constructed, and the wealthier commuters consider convenience to be more important than cost. New York Water Taxi, a private company with a ferry franchise with the City of New York, now carries passengers from the Brooklyn Army Terminal in Bay Ridge and from Red Hook into Wall Street in Manhattan, and an East River Commuter Service picks up passengers in Greenpoint for transportation to piers from lower to Midtown Manhattan.

**Housing.** Finally, New York City cannot support a workforce where salaries range from minimum wage and below to some of the highest in the country if it does not have housing to support residents at all economic levels. The shortage of "affordable" housing in NYC is documented both statistically and empirically, as one reads the classified ads trying to find an apartment to rent under \$600 a month in any neighborhood, or a house to buy for under \$350,000. Some of Brooklyn's lowest income communities are now some of the hardest hit by the sub-prime mortgage market, canceling a dream of home ownership for many who thought they had finally found the American dream.

For many years, New Yorkers who rented apartments at one of the highest renter ratios in the nation, were protected by NYC's "rent stabilization laws", which allowed owners of buildings containing six or more units of housing to raise rents no higher than an annual rate set by the NYC Rent Stabilization Board. Increases that typically ran from 3-4% annually were disliked by landlords who claimed that their operating costs rose at a faster rate, but that stability allowed tenants to budget and maintain stable housing costs. However, there are several mechanisms that a building owner can use to "deregulate" his or her building, including coop and condo conversion, maintaining vacancies longer than two years, etc. The Mitchell Lama program, created by the State of NY to encourage development of large scale apartment complexes for working class families, subsidized the owners in order to keep the rents low. However, owners had an "opt out" provision after 20 years, and many owners have chosen to do just that, notifying long-term tenants that their rents will rise by hundreds or even over a thousand dollars a month as the units go to "market rate." While legislators grapple with how to protect low to moderate income renters in NYC, the number of units that go into deregulation each year exceeds any new units being built under housing subsidy programs.

Mayor Bloomberg has proposed an ambitious affordable housing agenda that will address the shortage issue, and developers will hopefully be enticed to seek to incentives that the city is offering to "include" affordable housing in market and luxury rate developments. But NYC's ability to house its workers at all ends of the economic spectrum remains an economic issue that needs to be addressed if we want to maintain the range of industries that we currently support.

Planning activities in NYC are conducted by city and state government and by local organizations. NYC planning initiatives are performed under the auspices of the NYC Department of City Planning and are generally a prelude to a proposed zoning change. State planning efforts usually revolve around infrastructure improvement projects such as highway reconstruction or a major public works project. Local planning studies are generally conducted using a private consulting firm and tend to address a specific area of concern or interest – for example, before NYC created the Coney Island Development Corporation (CIDC) and the future of Coney Island was in doubt, a local organization, Astella Development Corporation, commissioned a private planning firm to help form a “vision” for what Coney Island should be.

#### NYC Master Planning

2007 was an exceptional year in NYC Planning history, however, because the first comprehensive plan for the city conducted since the 1960s was unveiled. Called “PlaNY-C”, the master plan initiated by the Office of the Deputy Mayor for Economic Development and Rebuilding looks ahead to the year 2030, when NYC will be impacted by land-use conflicts, infrastructure replacement, global warming, population shifts, energy demands and other serious issues.

On April 27, 2007, Mayor Michael Bloomberg introduced the plan to the general public in a press conference. A portion of his remarks is reproduced here:

“And over the past few months – through 11 town hall meetings more than 50 presentations meetings with more than 150 advocacy groups and an interactive website we have reached out to New Yorkers in all five boroughs to help us figure out the best ways to achieve the ten ambitious goals that we laid out in December, when we kicked off the PLAN-Y-C process. Here’s a glimpse of how they responded.

Informed by the process you just saw and with the help of our Sustainability Board we have developed strategies to turn the PLAN-Y-C goals into realities. Our strategies focus on the five key dimensions of the city’s environment: land, air, water, energy, and transportation, so that we can absorb the coming growth – while continuing to strengthen our economy, our public health, and the quality of life in our neighborhoods.

That’s our vision: a city that finds creative solutions to the need for more housing and parks. That has much cleaner air – the cleanest of any large city in the nation that protects the purity of its drinking water – and opens virtually all of our rivers and creeks and coastal waters to recreation.

It is the vision of a city that produces more energy – more cleanly, more reliably, and more cheaply and that offers New Yorkers more choices to get around town, more quickly. A 21st Century City that makes the most of our wealth of natural resources so that New Yorkers can make the most of their lives. Today to achieve that vision we’re proposing 127 new initiatives. You will find them in the book that we’ll be distributing shortly. This is the result of more than a year’s worth of study and outreach. It’s not some pretty brochure. It includes in-depth analysis and carefully constructed proposals. It discusses the good and the bad. “

The full text of his speech and the complete plan may be found on [www.nyc.gov](http://www.nyc.gov)

City Planning Activities: A summary of NYC’s planning studies and activities for 2006 includes:

- **Bedford Stuyvesant South:** This study of a 206 block area was conducted with the goal of establishing a revised zoning code that would preserve neighborhood scale and character while maintaining mid-rise multi-family buildings, and allowing for development of new, mixed use buildings including affordable housing along Fulton Street, the main commercial corridor.
- **Gowanus Canal Corridor:** The Gowanus Canal, a body of water artificially created in the late 1800s to allow the movement of waterborne goods inland, has, over the years, become dangerously contaminated by industrial waste and raw sewage. However, like many areas of Brooklyn, the Red Hook/Gowanus neighborhood has seen a renaissance in the past decade and community activists have pushed for a clean-up of the canal and for rezoning to residential and recreation use. However, there are still some active industrial users on the canal. City Planning initiated a study to “establish a comprehensive framework to guide future land use changes.” During 2006, a number of community visioning sessions were held to gather public input on the planning process. In addition to the work being done by City Planning, a local organization, Gowanus Canal Community Development Corporation, obtained federal funding through a local member of Congress to expand the scope of the city study to incorporate community issues that go beyond zoning. In addition, the City issued a Request for Proposals for development of a long-vacant grossly contaminated brownfield site on the Canal, which will be discussed in Section 8 of this report; this is another example of how market pressures often intercede before comprehensive planning has been completed. In addition, several speculators have purchased privately owned land along the Canal, with the expectation that the land will soon be rezoned for housing.
- **Downtown Brooklyn Pedestrian Study:** Downtown Brooklyn suffers from poor air quality, requiring planning that will discourage visitors from using automobiles to enter the area. However, the new Downtown Brooklyn zoning, discussed in the 2006 CEDS, will result in higher density buildings containing both residential and commercial space. Moving hundreds of thousands of pedestrians safely and efficiently through Downtown is a key to making this new development work. City Planning is studying the connection between Downtown Brooklyn and its surrounding neighborhoods with the intent of encouraging pedestrian-friendly connections that will make navigating in and out of Downtown clearer and easier. The MetroTech Business Improvement District (which was incorporated into the larger Downtown Brooklyn Alliance in 2006) had previously commissioned a consultant to study pedestrian navigation patterns in Downtown Brooklyn and to develop a “wayfinding” system (including signage) that would direct visitors and workers more efficiently – that project is on hold pending the completion of City Planning’s study.

In 2007, several zoning changes were adopted by the City Planning Commission:

- **Fort Greene/Clinton Hill –** Affecting 99 blocks, the rezoning preserves the brownstone blocks, while allowing for contextual, higher density residential construction.
- **Dyker Heights/ Fort Hamilton –**Affecting 110 blocks, this rezoning “downzones” the community, preventing further demolition of existing low-scale homes in order to construct “McMansions” that dwarf their neighbors, or multi-family condominiums without adequate parking facilities.

NYS Planning Activities were discussed earlier in Section 6, Factors Affecting Brooklyn’s Economy, under the Infrastructure section. The state is conducting transportation planning studies regarding the reconstruction or replacement of both I-278 (the Gowanus Expressway) and the Kosciusko Bridge, two major structures which connect Brooklyn to the other four boroughs of NYC and beyond.

**Local Planning Activities:** Under its US EDA Planning Grant, the Brooklyn Economic Development Corporation is tasked with assisting local organizations planning issues. By providing technical assistance resources and capabilities (including mapping and geo-coding services), BEDC was able to assist twelve (12) organizations to develop local plans for commercial revitalization and business attraction. A summary of that work is included in the final report that BEDC submitted to US EDA in December, 2007.

#### **Other Planning Initiatives:**

**The Municipal Art Society of New York (MAS) is seeking funds to initiate “*A Framework for Brooklyn’s Future*,” a multi-year project for developing principals and proposals to guide the future development and planning of the borough of Brooklyn.**

**In recent years, there has been a dramatic increase in the quantity and scale of redevelopment and planning initiatives, but no overall planning context or vision to ensure this development meets Brooklyn’s needs.**

**To address this, the MAS and its partners will engage stake-holders and the general public in devising a set of compelling ideas and directions—a framework—for the future growth of the borough to improve the quality of life (neighborhood improvement, preservation, transportation) and access to the necessities of life (jobs and housing) for Brooklyn.**

**The framework will be communicated as broadly as possible to the public in time to influence the 2009 municipal elections debates. It is our further intention to establish a sustained entity for advocacy for Brooklyn planning that will continue to advance the framework and engage the Brooklyn community in planning for its future.**

**The MAS is dedicated to ensuring that New Yorkers are fully engaged in planning for their future. In 1989, they founded the Planning Center, a division of the MAS focused on providing technical assistance to communities that played a leading role in the creation of the Greenpoint and Williamsburg 197A plans. In 1999, MAS founded the Metropolitan Waterfront Alliance, a broad coalition of over 200 waterfront-focused organizations that strives to ensure New York and New Jersey create a diverse, vibrant waterfront. From 2002-3, the organization led a citywide visioning effort for the former World Trade Center titled “Imagine New York: Giving Voice to the People’s Visions”, which involved over 200 planning workshops and 4000 participants. Today, MAS’s Brooklyn Speaks initiative – launched in collaboration with 11 other community and civic groups – enabled over 6000 New Yorkers to convey their concerns about the design, transportation policy and public process for Atlantic Yards project to the State.**

**MAS is seeking initial funding of \$75,000 to lay the foundation for the project and an additional \$315,000 to create an outreach program and to ensure public participation in developing the framework. Additional funding will be sought to establish and sustain an on-going advocacy program.**

## Section 8 Major Development Projects

### Coney Island Redevelopment



A vision of Coney Island, as proposed by the CIDC

The Department of City Planning in partnership with the New York City Economic Development Corporation (EDC), the Coney Island Development Corporation (CIDC), the Department of Parks and Recreation (DPR) and the Department of Housing Preservation and Development (HPD) has developed a comprehensive plan to encourage new development and guide the future growth of Coney Island. The Interagency team's work builds upon the commitment affirmed by Mayor Bloomberg in 2005 with the announcement of the Strategic Plan.

The proposed zoning plan covers 19 blocks bounded by the New York Aquarium to the east, West 24th Street to the west, Mermaid Avenue to the north and the Riegelmann Boardwalk to the south. The existing C7 zoning generally allows only large open amusement parks. The current attractions are seasonal and draw visitors primarily in the summer.

The rezoning plan is focused on maintaining the area's amusement character while allowing it to grow into a year-round, vibrant and affordable entertainment destination. The plan would map the amusement areas as park in order to permanently preserve the amusement district. In addition, the rezoning would permit new indoor and outdoor amusement uses as well as hotels, water parks, entertainment retail and restaurants on Surf Avenue outside the park.

Capitalizing on Coney Island's beachfront location, the rezoning plan could generate 4,000 to 5,000 new

units of housing outside the amusement area, approximately 900 affordable units through the Inclusionary Zoning program, and roughly 500,000 square feet of new neighborhood retail. The plan will safeguard and build on Coney Island's iconic amusement legacy, transforming the area into an affordable, year-round urban amusement and entertainment destination and also bring a critical mass of new residential and retail uses to this prime beachfront location

### Atlantic Yards



Fish-eye view of Atlantic Yards site

Atlantic Yards will be many things to many people. Designed by world-renowned architect Frank Gehry, Atlantic Yards combines a sports and entertainment arena, landscaped open space, a boutique hotel, ground-floor retail space for local businesses, office space and more than 6,400 units of affordable, middle-income and market-rate housing to create a vibrant addition to a thriving borough.



Located at the intersection of Atlantic and Flatbush Avenues, bounded by Pacific and Dean Streets and Vanderbilt Avenue, and primarily situated over the MTA/Long Island Railroad's Vanderbilt Rail Yards, Atlantic Yards will span 22 acres and transform the current railyards and predominantly underutilized and industrial area into 17 iconic buildings, including the state-of-the-art arena.

The \$4 billion development will encompass 336,000 square feet of office space, 6.36 million square feet of residential space (6,430 units of affordable, middle-income and market-rate housing, an 850,000-square-foot sports and entertainment arena, 247,000 square feet of retail space, a 165,000-square-foot hotel (180 rooms) and over 8 acres of intricately designed publicly accessible open space. The development will produce tremendous economic growth for the borough and city, creating more than 15,000 union construction jobs plus between 1,500 and 6,400 permanent jobs, as well as generating over \$5.6 billion in tax revenue for the city and state over 30 years.

The height of the buildings will range from approximately 190 feet to 511 feet. "Miss Brooklyn," the building proposed for the corner of Flatbush and Atlantic Avenues, will not be taller than the nearby Williamsburgh Savings Bank, which stands at 512 feet. Separate from the Atlantic Yards development, building heights as high as 600 feet have been approved by the City Council as part of the Downtown Brooklyn Plan.

Frank Gehry is designing the individual buildings and the larger development to complement the surrounding communities, creating a sense of scale that fits the low-rise feel of nearby neighborhoods and the more urban feel of downtown Brooklyn.

The buildings are spaced and sized to minimize bulk. For example, the heights of the buildings along Dean Street and Vanderbilt Avenue have been stepped down to better conform with the residential neighborhood. The taller buildings of the development will be located near the commercial corridor of Flatbush and Atlantic Avenues.

Information excerpted from [www.atlanticyards.com](http://www.atlanticyards.com)

### Hotel Development

Prior to 1998, when the New York Marriott at the Brooklyn Bridge opened at 333 Adams St., a new hotel had not been built in the borough for 68 years. In October, a 24-story, 280-room hotel opened adjacent to the Marriott, an expansion that brings the overall number of rooms to 660 rooms, making it one of the largest hotels in New York City.

There are about 773 hotel rooms currently under construction, and the Downtown Brooklyn Partnership estimates that 1,973 rooms will be added in downtown Brooklyn within the next five years.

In early 2008, Boymelgreen Developers will open the 93-room Smith Hotel at 75 Smith St. at Atlantic Avenue. The hotel will be located in a 13-story building that will also house 50 luxury residential condominiums.



Architect's rendering of Smith Hotel, to open in 2008

McSam Hotels plans to begin construction of a Holiday Inn Express with about 250 rooms at Nevins and Schermerhorn streets; A Cambria Suites Hotel at 75 Schermerhorn Street is under construction; the second tower of the residential Oro development on Flatbush Avenue will feature hotel space; and a Hyatt Place hotel is scheduled for a site on Nevins Street.

Also in early 2008, the Lam Group is expected to complete a 320-room Sheraton and a 200-room Aloft, a spin-off of its W Hotel chain. These properties will be adjoining lots at 216–228 Duffield

Street near Willoughby Street. The Hotel Indigo, to be operated by the InterContinental Hotels Group, has broken ground on Duffield Street between Willoughby Street and the Fulton Mall. Containing 164 rooms and 15,000 square feet of commercial space, the Hotel Indigo is being developed by V3 Properties, a Brooklyn-based developer.

Two other hotels also opened in Brooklyn, operated by the same development group. Hotel le Bleu on 4<sup>th</sup> Avenue and 5<sup>th</sup> Street in Park Slope, contains 48 rooms, and the lower-priced Hotel le Jolie on Bleeker Street in Williamsburg contains a similar number of rooms.

(As reported by Michael Stoler in the March 1, 2007 edition of The New York Sun, the Downtown Brooklyn Partnership and Brooklyn Progress, a publication of the Brooklyn Chamber of Commerce)

### Commercial Development

**Albee Square:** Located in the heart of Downtown Brooklyn, the Albee Square project will be developed by a partnership led by Acadia Realty Trust, which will result in the creation of 475,000 square feet of retail space, 125,000 square feet of class A office space, a mix of affordable and market-rate residential units, and ample parking. The project replaces the 2-story Galleria Mall, a retail facility managed by the site's prior owner, Thor Equities; the mall will be demolished to make way for the new development.

**29 Gallatin Place:** Located at Gallatin Place and Livingston Street, this project is converting a former Macy's warehouse into 100,000 square feet of Class A office space, along with ground floor retail.

(Excerpted from the Downtown Brooklyn Partnership website, [www.dbpartnership.org](http://www.dbpartnership.org))

### Transportation Improvements

**Atlantic Avenue Terminal:** MTA New York City Transit and the Long Island Rail Road are redeveloping the Atlantic Terminal Transportation Complex at Atlantic and Flatbush, including a new LIRR entrance structure, a new lower concourse for the IRT subway, and improved infrastructure.

The terminal complex, which is used by some 100,000 commuters daily, is a multi-level underground transfer hub serving 10 subway lines and the LIRR. The redeveloped complex is being designed to accommodate 130,000 commuters by the year 2015. It will provide improved pedestrian access and circulation throughout the terminal, including easier movement from local bus and subway lines to LIRR facilities. In addition, several enhancements to the architectural character of the complex will make the terminal a significant gateway to Downtown Brooklyn.

**Jay Street-Borough Hall Subway Station:** NYC Transit has begun work on a \$130 million project to rehabilitate the Jay Street/Borough Hall subway station and build an underground pedestrian tunnel linking the Jay Street and Lawrence Street subway stations. Once completed, this new connector will create a larger transit hub under the heart of Downtown Brooklyn, serving the A, C, F, M and R subway lines.

(Excerpted from the Downtown Brooklyn Partnership website, [www.dbpartnership.org](http://www.dbpartnership.org))

### **Brooklyn Academy of Music (BAM) Cultural District**

New York City Department of Housing Preservation and Development Commissioner Shaun Donovan and New York City Department of Cultural Affairs Commissioner Kate D. Levin announced the selection of the team chosen to design and construct a mixed-use development consisting of cultural,

commercial, and residential spaces located in the cultural district around the Brooklyn Academy of Music (BAM). The architectural and development team is a consortium comprised of locally based and minority owned Full Spectrum of NY and studioMDA with Behnisch Architects.

Marked by numerous inventive design elements and resulting in 187 total housing units, over half of which will be affordable to low-, moderate- and middle-income families, the development will feature 40,000 square feet of cultural space in addition to 4,000 square feet of ground-floor retail space. The cultural center and residential development—both of which will boast state-of-the-art green design—are the latest components of the BAM Cultural District, a visionary plan developed by the City with the support of local elected officials and the surrounding community.

Uniquely designed to maximize the use of natural light, the 40,000 square foot cultural space represents the first City-led development of a new choreographic center, providing critically-needed affordable rehearsal and performance space for dancers and other performing artists. The Downtown Brooklyn Partnership is leading project development, with advisory support from Danspace Project as an anchor occupant. One of New York's premier contemporary dance presenters, Danspace Project boasts a 35-year history of support for emerging choreographers, incubating and sustaining the development of a broad and distinguished range of artistic work.

Located at the corner of Fulton Street and Ashland Place, the development site is within the boundaries of the BAM Cultural District and is within walking distance of Brooklyn's Borough Hall and the foot of the Brooklyn Bridge. Project Will Feature Sustainable Design and Create Nearly 100 Affordable Housing Units, 40,000 Square Feet of Cultural Facilities and 4,000 Square Feet of Ground Floor Retail

The BAM Cultural District is an arts and economic development initiative that is converting vacant and underutilized city-owned properties into a mix of affordable space for visual, performing and media arts organizations, along with arts-related educational programs, a variety of housing, public open space and amenities such as restaurants, cafés, retail and parking. This development represents the first mixed-use development in the BAM Cultural District to move forward under the leadership of the Downtown Brooklyn Partnership. By providing area residents with an affordable place to live, a center for active participation in the arts and additional access to quality commercial offerings, this project will help make Downtown Brooklyn a true 24-hour mixed-use community.

Totaling approximately 181,000 square feet, the residential component of the development will consist of an assortment of studios, one-, two- and three-bedroom units, 96 of which will be affordable to families making between 40% and 130% of Area Median Income (AMI)—between \$28,360 and \$92,170 for a family of four and between \$19,840 and \$64,480 for a single person. 157 of the units will be rental, while the remaining 30 will be homeownership.

The project is expected to be financed in part through The New York City Housing Development Corporation's Mixed Income Program in addition to subsidies from the New York City Housing Trust Fund, part of the Mayor's 165,000 unit New Housing Marketplace Plan. Construction on the project is anticipated to begin in spring 2009 and be completed in winter 2010.

The Downtown Brooklyn Partnership, in cooperation with EDC and DCA, has also issued an Open Call to cultural organizations, inviting them to submit ideas or proposals for other projects in the Cultural District. Responses are due by December 14th and more information is available at [www.dbpartnership.org/opencall](http://www.dbpartnership.org/opencall).

The development team was selected as a result of a Request for Proposals (RFP) issued by the City in February 2007. Of the proposals submitted, this team's proposal provided the greatest range of affordability, helping to ensure a vibrant, economically diverse community. In addition, studioMDA's focus on the maximization of natural sunlight and cross ventilation, its conception of the project as five "mid-rise" communities and its overall use of high quality, innovative design helped it to stand out from the competition.

Source: [www.nyc.gov/hpd](http://www.nyc.gov/hpd)

### **Brooklyn Navy Yard Development Corporation**

In addition to the Perry Avenue project, the BNYDC 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.

BNYDC also announced that two additional industrial buildings encompassing approximately 200,000 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 being initiated today 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 NYC'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.

BNYDC has a long-standing commitment to creating employment opportunities for local residents while expanding 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% of contracts under \$1 million to minority-owned firms. Overall, TDX has agreed to an MWBE contracting goal of at least 20%. The company has committed to a local construction hiring goal of at least 30% 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 the construction projects.

The BNYDC-sponsored 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% of the overall, permanent Navy Yard workforce comes from surrounding neighborhoods.

## Federal Building #2



Rendering of Federal Building #2 Redevelopment

The New York City Economic Development Corporation (NYCEDC) has selected a joint venture consisting of Time Equities Incorporated (TEI) and Brooklyn Economic Development Corporation (BEDC) to redevelop the building known as Federal Building #2 into one of the City's first mixed-use light manufacturing and retail complexes. The 1.1- million-square-foot building occupies a 314,000-square-foot parcel of land bounded by Second and Third Avenues and 30<sup>th</sup> and 32<sup>nd</sup> Streets in the Sunset Park section of Brooklyn. The proposal calls for renovating the existing eight-story warehouse building for use by light manufacturers on the upper floors and retail and showroom space on the lower floors. The developers also plan to construct a new retail center with accessory parking on the adjacent 100,000-square-foot parking lot. The total cost of the project is estimated to be \$205 million. It will create approximately 1,285 full time jobs and almost 2,000 construction jobs, and generate about \$44 million in real estate and other taxes over 25 years.

Congressman Jerrold L. Nadler and Congresswoman Nydia M. Velazquez worked with Brooklyn Borough President Marty Markowitz to acquire the building from the Federal Government. City Council Member Sara M. Gonzalez took an active part in the project to ensure responsible development for the community.

The new manufacturing center will contain both rental and condominium units. In addition, significant economic incentives are available to businesses that relocate to the site, which is in a state Empire Zone. As an amenity to the project's businesses and employees, the developers have agreed to make 10,000 square feet of space available rent-free to an affordable daycare center. Other amenities include a full service fitness center, Wi-Fi Internet access and various food service options.

The project will target companies requiring less than 10,000 square feet of space. The project plans include a number of sustainable design elements such as a green roof, solar power and high performance windows. An existing power plant building on the adjacent lot will be renovated for use as a co-generation facility. The developers will design and implement local hiring and Minority and Woman-owned Enterprise plans.

Federal Building #2 was built as a warehouse for the Department of the Navy in 1916 and is currently owned by the Federal Government and administered by the General Services Administration. NYCEDC

will take title to the property prior to disposition to the developers. Time Equities was selected to partner with BEDC on the project as a result of a Request for Proposals issued jointly by NYCEDC and BEDC.

Designated as the Southwest Brooklyn Industrial Business Zone, Sunset Park's industrial waterfront is an enclave of light manufacturers and other industrial businesses. Across from Federal Building #2 is the South Brooklyn Marine Terminal, which will be reactivated as a maritime port and will include a maritime automobile receiving and processing facility and the Hugo Neu metal and plastics recycling facilities, as well as various general cargo handling operations.

Time Equities Incorporated, a full-service real estate company, based in Greenwich Village, has been in business for over 35 years. It has a portfolio of more than 20 million square feet of commercial, industrial and residential properties in 23 states. TEI's current projects include the Hoyt-Schermerhorn mixed-use development and the State Street Houses in Downtown Brooklyn. The company's CEO has a long history of successfully redeveloping blighted property in New York City.

The Brooklyn Economic Development Corporation is a 28-year-old not-for-profit organization that creates and expands economic opportunity throughout Brooklyn by implementing business and neighborhood development programs.

#### **SUNY Downstate Advanced Biotechnology Incubator**



The SUNY Advanced Biotechnology Incubator

The SUNY Downstate Advanced Biotechnology Incubator was discussed earlier in this report. However, consistent with the vision to retain and expand biotechnology firms in Brooklyn, to the point where they begin to generate non-grant revenue, hire employees and pay taxes, a new project has been initiated in conjunction with the incubator. A new corporation, BioBAT, Inc., has been set up to develop 250,000 square feet of biotech space in the Brooklyn Army Terminal, a facility that US EDA funded for redevelopment in the 1980's. With most of the space in the first building occupied by manufacturing firms, funds have now been allocated to complete the redevelopment of the existing space in Building "B", where the biotech will be located.

In October 2006, NYC EDC, the owner of the BAT, issued a Request for Expressions of Interest (RFEI) to developers willing to work with SUNY Downstate on the BioBAT project. Four developers responded,

and a group based in San Diego, Phase Three, was chosen as the developer. Phase Three has developed biotech space in other US venues.

New York State has committed \$50 million in capital funds towards this project and NYC has committed an additional \$12 million. To date, three tenants are committed to the space: The International Aids Vaccine Initiative (IAVI), which currently has space in the incubator (they will expand to 25,000 square feet and hire an additional 20 employees, using a \$25 million grant they received from the Gates Foundation. Other tenants will include a vivarium to serve the needs of other biotech firms in the incubator and in NYC, and the Northeast Center for Disaster Preparedness, which has federal, city and state funding to train first responders as well as other personnel such as teachers in how to respond to emergency situations. Other speculative commercial space will be developed. The total project cost has been estimated at \$80-90 million, so there is still a funding shortfall.

#### Redevelopment of “Public Place”



In July 2007, Department of Housing Preservation and Development (HPD) Commissioner Shaun Donovan announced the release of a Request for Proposals (RFP) to build a mixed-use development consisting of community, commercial, and residential spaces to be located along the Gowanus Canal in Brooklyn. A severely contaminated brownfield site, its history includes use as a coal gasification site in the late 1800's. It has been vacant and unused since its designation as a 'public place' in the 1980's, when redevelopment as a park was stalled due to the extensive contamination; new remediation technologies will allow the site to be cleaned to a level appropriate to its intended uses

The RFP is part of Mayor Bloomberg's efforts to integrate the Gowanus Canal corridor with the vibrant surrounding communities of Carroll Gardens and Park Slope through redevelopment of underutilized land into spaces for residents, local business and community groups to call home. The RFP is the result of a lengthy community visioning process in which community residents, community-based organization leaders, elected officials and staff from HPD and other city agencies participated. .

Located at the southeast corner of 5th and Smith Streets and bounded to the east by the Gowanus Canal, the site consists of 5.8 acres of land. The development's affordable component will consist of at least 400 rental and/or cooperative units located above the community and commercial spaces of which a significant portion will be set aside for senior citizen housing. Twenty percent of the total residential units must be affordable to households of four earning up to \$56,700 or up to \$39,700 for a

single household. A further thirty percent of the residential units must be affordable to households of four earning up to \$92,170 or up to \$64,480 for a single household. And one hundred percent of the senior housing must be affordable to seniors making no more than \$34,020 for a couple or \$29,760 for a single senior.

The development must include a community facility component that will add to and enhance the current inventory of community and cultural uses and spaces available in the neighborhood. Preference will be given to projects that include a boathouse, youth/teen center, community space, or artist studios and/or galleries.

The development must also incorporate a significant amount of landscaped open space. Open space must be located adjacent to the Gowanus Canal and should be designed to allow for and encourage public use. In addition, the project is subject to HPD's New Construction Sustainability Requirements, which mandate design practices and materials that ensure healthy indoor air quality, energy efficiency, water conservation and the use of environmentally preferable products.

The designated development team will be selected based on an evaluation of innovative architectural design, professional qualifications and experience, including green development experience, feasibility of the proposal, affordability of residential units, and quality of design and construction, as well as other factors noted in the RFP.

### Retail Development

According to the 2005 Labor Market Review prepared by the Brooklyn Chamber of Commerce, Brooklyn is "under-retailed." The review states that "Currently the borough is zoned for 66 million square feet of retail space, or 27 square feet per capita. However, it is estimated that only 25 million square feet, or six square feet per capita, are used for retail activity in the borough...Assuming a modest capture rate of 50%, it is estimated that Brooklyn Retail could grow to occupy up to 42 million square feet, or 17 square feet per capita. By comparison, Detroit has 19 square feet and Pittsburgh has 20 square feet per capita." Some projects in development, to close this gap, include:

**Gateway Center Expansion** In the fall of 2002, the \$192 million, 640,000 square foot Gateway Center opened on 48 acres on Fountain Avenue and Belt Parkway on what was previously a landfill. The center includes retail stores such as BJ's Wholesale Club, Target, Staples, Circuit City, Famous Footwear, Old Navy, Marshall's, and Bed, Bath & Beyond.

Mayor Bloomberg and other officials and community leaders broke ground on the second phase of the project, the Nehemiah Spring Creek Houses at Gateway Estates in August 2006. The 227-acre mixed use community will contain about 2,200 new affordable homes for nearly 7,000 people, including 125 units of senior housing, a 625,000 square foot retail center that will feature national retailers and smaller spaces for community based businesses and restaurants, and a public school. The first homes are scheduled for completion by yearend 2007. Sales of the single family homes will begin at \$158,300, with the City providing direct housing subsidies of \$46,000 for each single-family home and \$30 million in infrastructure costs.

The project is a joint venture consisting of Nehemiah HDFC, the housing affiliate of the East Brooklyn Congregations, and Gateway Center Properties Phase II, whose managing member is the Related Companies. The Related Companies will purchase the commercial property from the Department of Housing Preservation and Development at market-rate. The revenue from the sale of the commercial property will finance infrastructure development (streets, sidewalks, and storm and sanitary sewers) required for the residential development. Source: HPD

### **Flatbush Junction**

**The Triangle at the Junction, an \$80 million, 300,000 square foot retail development is currently under construction at the Flatbush Junction, an area bordered by Flatbush and Nostrand Avenues and Avenue H. Triangle Equities acquired the property from the City on what had been a former municipal parking lot.**

**Target will open its third Brooklyn store in 220,000 square feet space at the site, which is located next to the Brooklyn College campus. In addition another 80,000 square feet of retail space and a five-level parking garage are planned for the location. It is estimated that the project will be completed in 2007 and create more than 1,200 temporary and permanent jobs.**

## Section

# 9

## Vision for Brooklyn Going Forward

### Vision: Continue to Develop Tourism – a Growth Industry in Brooklyn

A vision was articulated in earlier CEDS Reports to develop a comprehensive tourism initiative and create a visitors center at borough hall. The work that the EDA-funded Initiative for a Competitive Brooklyn (ICB) did in conjunction with the Brooklyn Borough President's office has resulted in part of this vision being realized. In 2007, articles about Brooklyn appeared in international travel magazines such as Conde Nast Traveler, National Geographic Traveler, and even the New York Times "Escapes" section, to name a few. Brooklyn's newly created Destination Marketing Organization (DMO) simply called Brooklyn Tourism ("BT") attended travel trade shows in London and Japan, as well as the annual cruise line show in Florida. The website, [www.visitbrooklyn.org](http://www.visitbrooklyn.org), was brought online in 2007 and BT is working on improving optimization and interactivity.

Part of that vision included attracting the first-class cruise industry to Brooklyn – In April, 2007 Brooklyn welcomed the Queen Mary 2 and the Crown Princess to the new Brooklyn cruise terminal in Red Hook— the new Queen Victoria will dock here as well upon her completion. This terminal signals real investment in Red Hook and in the preservation of our working waterfront.

Another vision was to make Coney Island "America's favorite playground" once again. In July, 2007 the switch was flipped on Coney Island's future when the famous "Parachute Jump", structurally secured and repainted – was lit for the first time in 20 years. An international design competition to create a new recreation area under and around the Parachute Jump attracted architects and designers from all over the world. Coupled with the work of the Coney Island Development Corporation (CIDC), Coney Island seems poised to regain its footing as a world-class amusement area by solidifying its status as the top entertainment and recreation attraction in the northeast — and maintaining its legendary quirkiness.

Hotel development is also accelerating. Before the Marriott Hotel at Brooklyn Bridge opened in 1998, the last major hotel built in Brooklyn was the hotel St. George in Brooklyn Height, built in 1930. In 2007, the Marriott doubled its size to 660 rooms. In 2007, from Downtown to 4th Avenue to Atlantic Avenue to Bay Ridge to Sheepshead Bay, hundreds of hotel rooms are in the pipeline to accommodate the increase in visitors to Brooklyn, including the newest hotels - a Holiday Inn Express on Union Street in lower Park Slope, and Hotel le Bleu, a boutique hotel on the emerging 4<sup>th</sup> Avenue corridor. Several other hotels are also in construction in the Downtown corridor – A Sheraton, a Best Western, the boutique A-loft hotel, and the "Hotel Indigo", operated by InterContinental Hotels group. A hotel in Williamsburg, Hotel le Jolie, began accepting guests in 2007.

In anticipation of this surge in tourism-related jobs, Kingsborough Community College applied for and received a \$1.6 million US Department of Labor grant in order to prepare Brooklyn residents for careers in the hospitality industry.

### Vision: Building the "New" Downtown

The Atlantic Yards development, which includes a new NBA basketball arena and housing, retail, recreational and office components, is part of an even grander vision for Brooklyn. In 2004, a comprehensive plan for building a "new" downtown for Brooklyn was unveiled. The rezoning of Downtown Brooklyn to accommodate its renewal was discussed in earlier CEDS Reports. With a vision consistent with creating a 24/7 destination, a new theater will be opened at Schermerhorn House near Hoyt Street, in a project that includes 220 low-income apartments for the formerly homeless, and

working artists. Another new theater at 110 Livingston Street, the former home of the NYC Board of Education will also come on line in 2008.

A plan for a revitalized Fulton Mall, one of the nation's first pedestrian only shopping streets, but now facing aging infrastructure and design issues, will be implemented. It will maintain the bustling shopping atmosphere and add new restaurants, nightlife, and offices to create a vibrant 24/7 live-work environment. The aging Galleria Mall which has anchored the eastern end of the mall since the 1970s will be torn down and replaced by a vibrant mixed use building that contains housing, offices and retail.

This plan extends "downtown" to include the Brooklyn Academy of Music (BAM) Cultural District, which will build on BAM's century of success by creating a cutting-edge, mixed-use arts hub. Anchored by the Mark Morris Dance Center, the area will also support world-class dance theater and rehearsal spaces operated by other recognized dance troupes. The Theater for a New Audience, designed by architects Frank Gehry and Hugh Hardy, will include retail shops, and a public plaza worthy of the cultural capital of America.

Extending cultural tourism beyond downtown Brooklyn is another priority, and plans include new world-class cultural facilities in southern and central Brooklyn. Plans include the first amphitheater at Coney Island, a state-of-the art, covered, outdoor, performing arts venue at Asser Levy-seaside Park. This venue will be marketed to attract top entertainers who play the summer concert circuit at Jones Beach, the Westbury Music Theater, and the PNC Bank Arts Center in New Jersey.

The Loew's Kings Theater on Flatbush Avenue is the last remaining "wonder theater" in NYC that has never been sub-divided. Built in the 1930s as an "atmospheric theater" that featured major feature films and live entertainment, it has been empty for the last 30 years. Brooklyn needs a grand theater to host medium-size concerts, graduations, banquets, and television productions. An RFP was issued in 2007 by the City of NY, the current owner of the property, to private developers with the goal of restoring the Kings to its original splendor, and establish a beautiful, landmark venue that combines the best of the Apollo and Beacon theaters into one. The submitted proposals are currently being evaluated..

#### **Vision: Encourage and Support "Smart Growth"**

New York City is expected to grow by a million people by the year 2030, and Brooklyn's population is projected to increase by more than 300,000 residents by that time. Planning for how and where we grow is critical. That means steering growth where it's appropriate, especially near mass-transit hubs. It means transforming main streets like 4th Avenue and Flatbush Avenue into our grand boulevards of the 21st century, while protecting the unique character of our residential neighborhoods. It means spurring development on thriving commercial streets like Broadway in Bushwick, Pitkin Avenue in Brownsville, Fulton street in Fort Greene and Bedford-Stuyvesant, Nostrand Avenue in Crown Heights, and Rockaway Parkway in Canarsie, while expanding historic districts in neighborhoods like Fiske Terrace, Midwood Park and West Midwood, Crown Heights North, Fort Greene-Clinton Hill, DUMBO, Sheepshead Bay, and others.

#### **Vision: Creating and Preserving Affordable Housing**

No issue is more critical to maintaining the ethnic and income diversity that define life in our borough than creating and preserving affordable housing. In East New York and Brownsville, 2,200 lower-income homes will be constructed as part of the expansion of Gateway Estates, a former landfill site that has been remediated and capped. The thriving Gateway Plaza shopping mall will also double in size.

On Vanderbilt Avenue near Steiner Studios, 400 apartments will be built on the former Navy Yard "brig" site, most of them affordable. Coney Island Commons, a partnership between the city and community developers, will include more than 100 units of affordable housing — as well as Coney Island's first

YMCA. Sunset Gardens, 80 new units of affordable housing for seniors in Sunset Park, developed by Lutheran Medical Center, is also planned. With several Brooklyn neighborhoods being designated “Naturally Occurring Retirement Communities” (NORCs), “adult living communities”, homes for adults 55 and older (especially single men and women), are a critical need. These community housing settings allow retired seniors to live with other retired, semi-retired, or working adults without children in a social setting.

#### **Vision: “Greening” Brooklyn**

In 2007, a borough-wide effort to “green back Brooklyn” was launched by highlighting and promoting our residents and businesses at the cutting-edge of environmental awareness. Examples include Green Depot in Greenpoint, one of the largest environmentally conscious building suppliers in America, and the Stillwell Avenue subway terminal at Coney Island, which gets its power from solar panels.

Also in 2007, several government and nonprofit organizations joined together in a lawsuit to force Exxon Mobil to accelerate the clean-up of one the largest urban oil disasters in US, which over the last 50 years has leaked 17 million gallons of oil into Newtown Creek and contaminated local groundwater. Vapors seeping into the basements of homes in the area as the result of the oil plume have raised additional health concerns.

Returning waterfront access to residents is also a priority, and is consistent with PlaN\_Y\_C goal of increasing access to green spaces. Brooklyn Bridge Park, a waterfront park including 85 acres of new parkland that will stretch from the Manhattan Bridge to Atlantic Avenue, will include lawns, beaches, recreational facilities, bike paths, a marina. Issues with financing and ongoing operation of this ambitious project (an assemblage of city, state and public authority-owned land) have slowed progress on implementation of the project, but a “floating pool” brought to the site in the summer of 2007 excited the residents of Brooklyn about the exciting potential this site holds.

Consistent with the vision of making recreational resources available to all residents, the Aviator Sports Complex at Floyd Bennett Field (part of Gateway National Park) was long-term leased and privately financed to provide indoor and outdoor recreational facilities, including a professional ice hockey rink. 23 acres on the Sunset Park waterfront that are being transformed from a brownfield into another community park; a newly restored visitors center at Fort Greene Park will inform visitors of the area’s rich Revolutionary War history; new cricket pitches in Canarsie will expand facilities for the borough’s West Indian residents, avid players of the game; and the restoration of McCarren Park in Williamsburg with its Olympic size swimming pool built in the 1930s by the WPA, but now used as a site for summer rock concerts.

#### **Vision: A Better Brooklyn through Education**

In today’s competitive global economy, the only path to success is education. And it is government’s obligation to ensure that a NYC city public education is the gold standard for excellence. Many of our schools still provide that gold standard, but the vision for the best education available won’t be satisfied until every school excels at the highest level, and gives our students the opportunity to achieve their full potential.

The education provided to Brooklyn’s youth must address the challenges of the changing economy and build on the assets of multiculturalism that make the US so unique. In an economy that produces less and less durable goods, channeling intellectual and creative energy into jobs that will still be here in the coming decades is paramount. And the only way that persistent income disparities among Brooklyn’s population can be addresses is if we give all equal opportunity to excel. As an example of this disparity, while NYC is the advertising and marketing capital of America, and the nation-wide

buying power of African-Americans surpassed \$700 billion dollars, less than four percent of advertising and marketing professionals in our country are African-American. A vision for 2008 is to create a “high school of advertising and marketing,” preferably in central Brooklyn, so that bright young students can enter this lucrative field where salaries can put executives among the nation’s highest wage earners.

Similarly, the notion of “vocational education”, long denigrated as a dumping ground for the system’s poorest performing students, needs to be re-examined. In 2006, an automobile mechanic training program for high school students was reinstated, supported by a local union. The skills required to repair and maintain today’s complex cars have grown exponentially, yet the number of qualified mechanics have dropped. Requiring a knowledge of electronic and computer technology, today’s mechanics are in high demand, especially in the servicing of luxury cars; when the first class graduated from the new training program, every one of the graduates had a job waiting.

Other growing or stable industries where short-term training programs can lead to stable, decent jobs with career ladders include health services.

#### **Vision: Better Health Means a Stronger Economy**

When it comes to health care disparities, Brooklyn is in a state of emergency. The borough has unacceptably high incidence rates from cancer to cardiovascular disease, HIV-aids, asthma, obesity, and diabetes, all chronic diseases that drain health care resources and sap the productivity and longevity of our workforce.

In response to the shortage of nurses at many Brooklyn hospitals, critical to serving the Borough’s chronically ill and aging population, the Brooklyn Nursing Partnership, and outgrowth of ICB, was established to recruit and train more nurses, especially minority students.

In November 2007, the Berger Commission Report’s recommendation on NYS hospital closings began to take its toll, with the announced 2008 closing of Victory Memorial Hospital. Keeping down health care costs by eliminating hospital beds is a short-term solution to a long-term problem, because the visions for Brooklyn really is a coordinated and comprehensive health care agenda that prioritizes not only hospital efficiency, but equality, access, and participation.

## Section 10

# How Do We Achieve Our Goals?

The scope of work for achieving a vision for Brooklyn that lifts all of its residents to a higher plane of economic independence is huge and constantly evolving. With housing and shelter costs for the average resident higher than almost anywhere in the country, simply having a full-time job is not adequate to sustain a family in NYC – most low to moderate income families require two incomes and perhaps multiple jobs per person to provide the necessities of life. With a population with low educational attainment in an economy that has few places left for the undereducated, Brooklyn’s task is not only to help create and nurture new job growth, but to train the resident workforce to take advantage of the opportunities these new jobs create. A very incomplete list of strategies compiled from various sources and consistent with the vision of building on Brooklyn’s strengths and capacity for innovation include:

- Identify other industry clusters that can be supported in their growth and development. An example: the creative industries, where BEDC has already done preliminary research indicating the large numbers of “freelancers” and consultants within Brooklyn, many working as sole practitioners. Their aggregate economic impact has yet to be calculated, and the opportunity in introducing them to one another to share innovation has yet to be explored.
- Exploit the development activity that has made Brooklyn a hotbed of new construction:
  1. Outreach to and enroll low income workers in pre-apprentice and apprenticeship programs to learn the skills to participate as workers in the construction trades
  2. Provide technical assistance to small construction firms to enable them to participate in multi-million dollars construction projects
  3. Work with development companies to source materials and labor locally, so that the developments feed value back into the community

An example: The Atlantic Yards Project, where a Community Benefits Agreement (CBA) has been signed to promote the activities listed above.

- Since economic development activity in Brooklyn is so tied to real estate (with housing needs competing with commercial and industrial firms), advocate for land use based not on what is here now but what Brooklyn can and should look like in 20 years, playing to the same strengths of diversification that sustained the county over 200 years. An example: The Zoning for Jobs model promulgated by the NYC Industrial Retention Network, which works to retain land for industrial uses.
- Harness the energy of Brooklyn’s immigrants, who continue to arrive and re-energize and reinvent neighborhoods. Their penchant for entrepreneurship and their desire to succeed can lead to new business development, and to re-invigoration of aging industries. The recent report of the Center for an Urban Future, highlighted earlier in this report, points to the enormous economic power that immigrant groups bring to NYC.

- **Engage in more locally- based planning activities such as charettes and focus groups, to help communities transition into the inevitable change that community redevelopment brings, and then work to attract the kinds of community facilities, companies and services those communities articulate. An example: The Gowanus Canal CDC has held “visioning” workshops to help residents explore different redevelopment scenarios.**
- **Support emerging industries such as biotechnology and tourism with technical assistance, regional marketing and promotion, and job training so that local residents can participate in the upside of the industries’ growth. An example: SUNY Downstate’s expansion of biotechnology beyond their campus boundaries to the BioBAT project, and their work to promote awareness of scientific careers in Brooklyn’s high schools.**
- **Better coordinate non-profit and service delivery programs borough-wide so that the intended end users of these programs, whether they be small businesses, job seekers, immigrants, etc. have a range of options to explore – discourage “siloing” of services so that clients don’t have to search multiple locations for complementary services. An example: BEDC’s Community Economic Development Council (CEDC), that brings together organizations throughout Brooklyn to share information about programs, services, best practices, etc. through quarterly meetings and an internet listserve**
- **Make better use of the internet for promulgating information about programs and services and encouraging “on-line communities” that can share information and resources, stimulate the creation of industry support groups, and disseminate information to other regions. An example: NYIRN’s Food From New York website.**

**SUNY Advanced Biotechnology Incubator, Phase 3**

**Mixed Use Building – Pratt Institute**

**Brooklyn Goes Global**