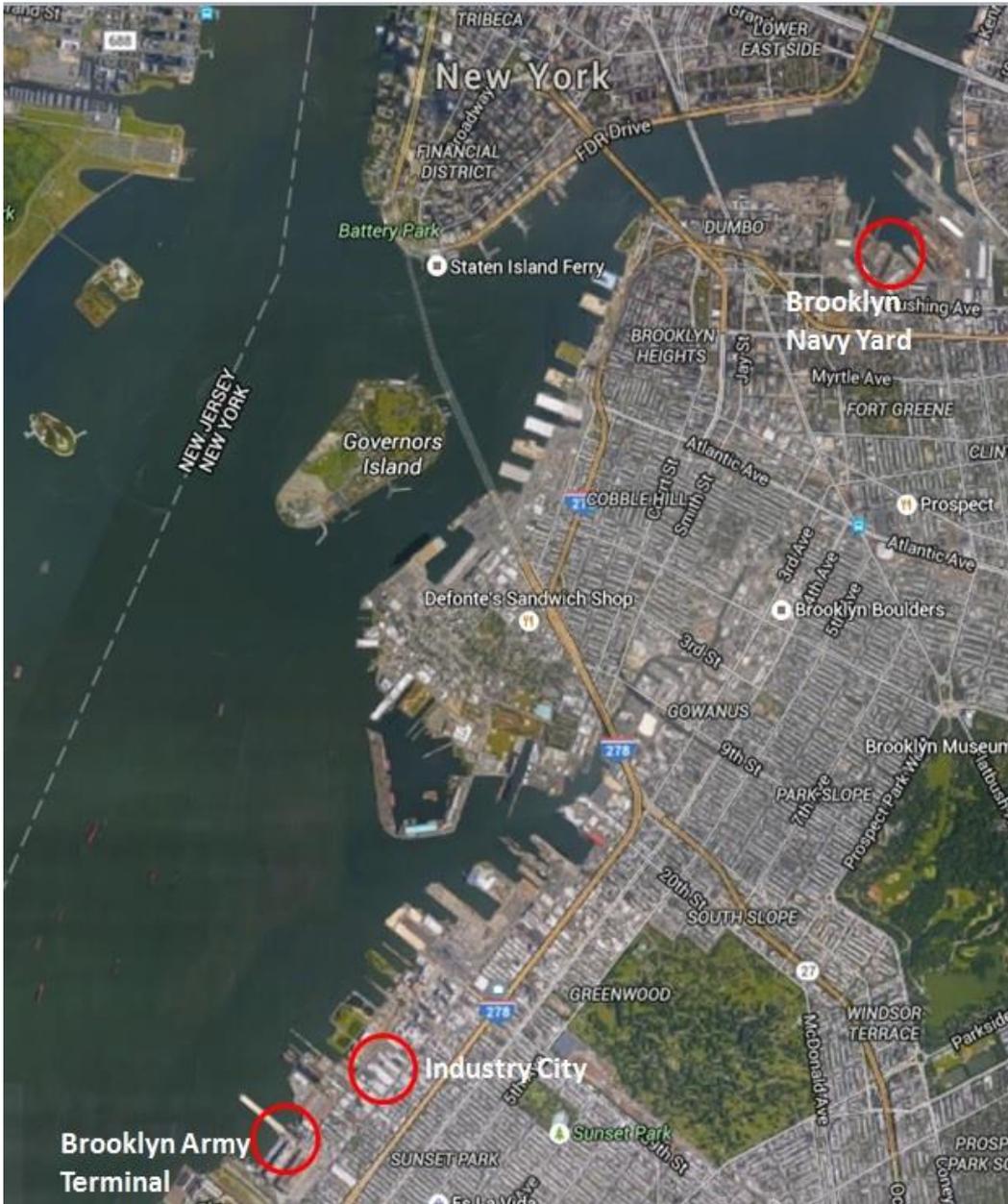




Adaptive Reuse on the Brooklyn Waterfront



125,000 workers

14 Million
Square Feet

Industry City



Brooklyn Navy Yard



1990's: ~ 5K Jobs and \$1 Billion in Deferred Maintenance



The Innovation Economy represents a broad range of functions and sectors...

Innovation Economy Ecosystem

FUNCTION

Manufacturing

Research & Dev't

Engineering & Design

SECTORS

Art & Design

Film & TV

Retail Products

Fashion

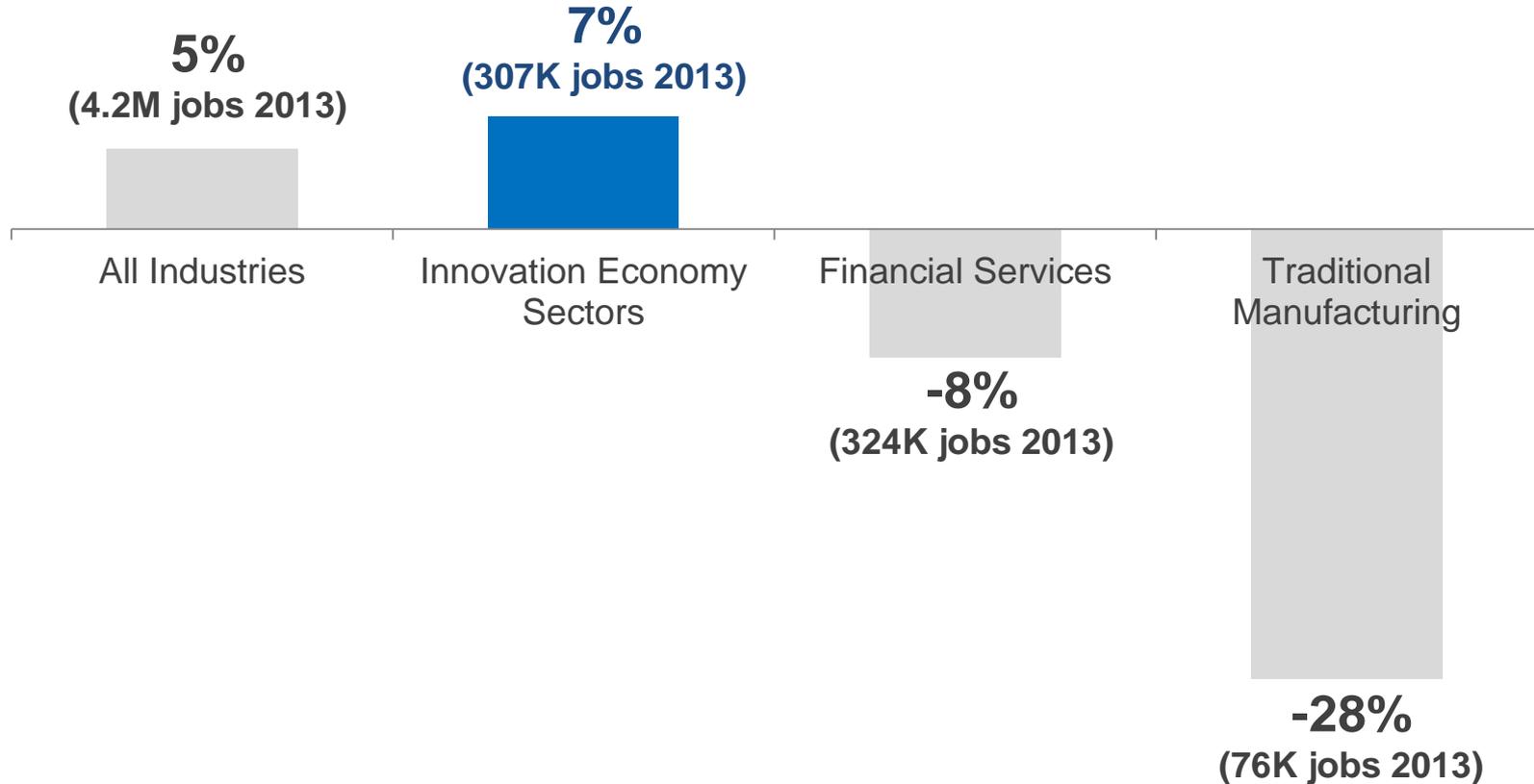
Tech

Food



...has been one of the city's fastest growing employment sectors...

New York City Employment Growth, 2007-2013



Source: Economic Modeling Specialists Intl (EMSI). "Innovation economy sectors" are defined as including the following NAICS codes: 3112-9, 3151-2, 3159, 3341-2, 3344-5, 3364, 4541, 5112, 5121-2, 5151, 5171-2, 5174, 5179, 5182, 5191, 5413-5, 5417, 7115.

Two Strategies to Address Deferred Maintenance & Drive Development

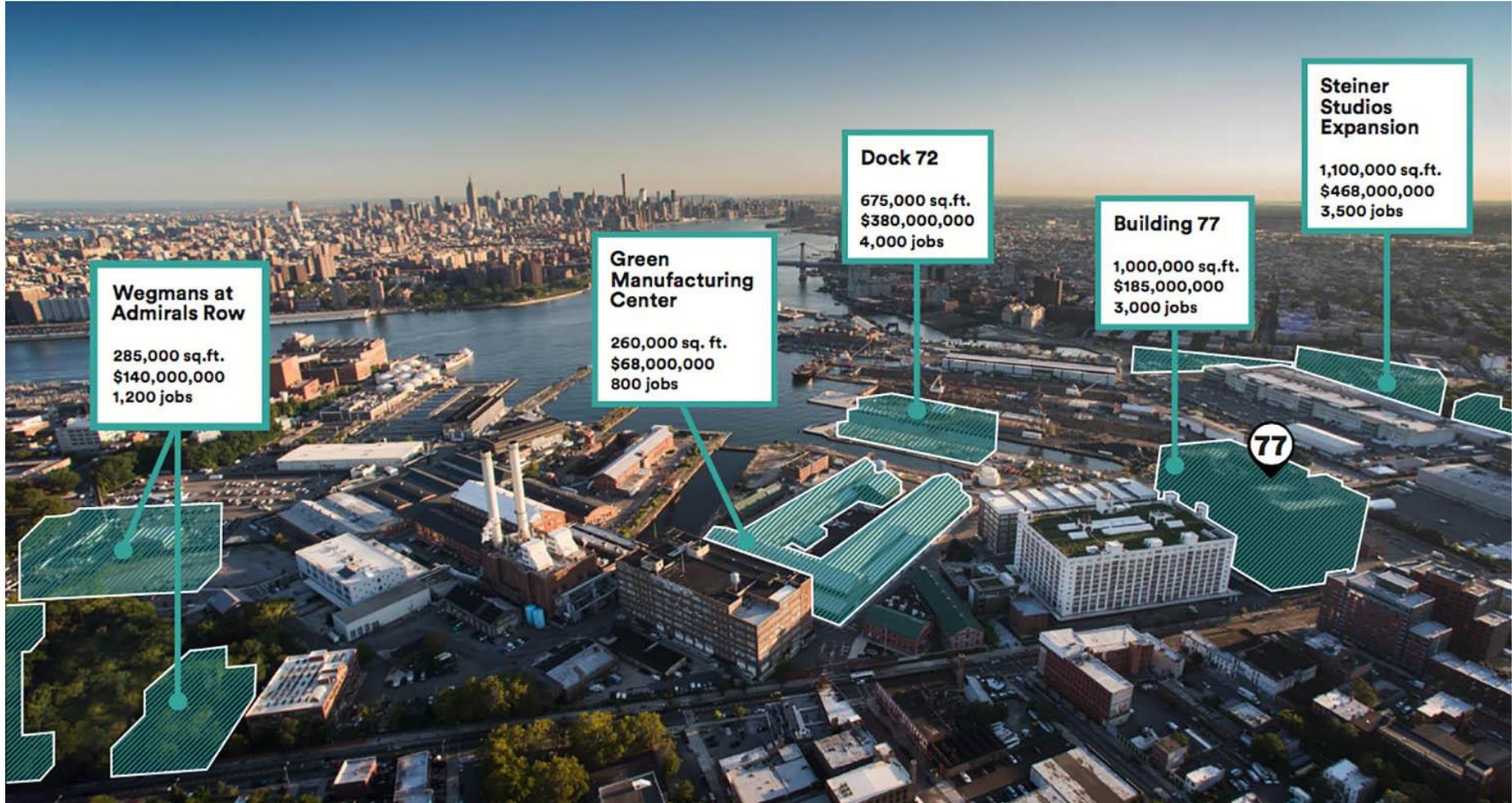
Brooklyn Navy Yard

- Public investment in basic infrastructure
- Creative economic development
 - EB-5
 - New Market and Historic Tax Credits
 - Grants

Industry City

- Rezone from M3 to M1
- Creation of Innovation Economy District

BNY Case Studies



BNY- Green Manufacturing Center



BNY- Building 77



BNY- Dock 72



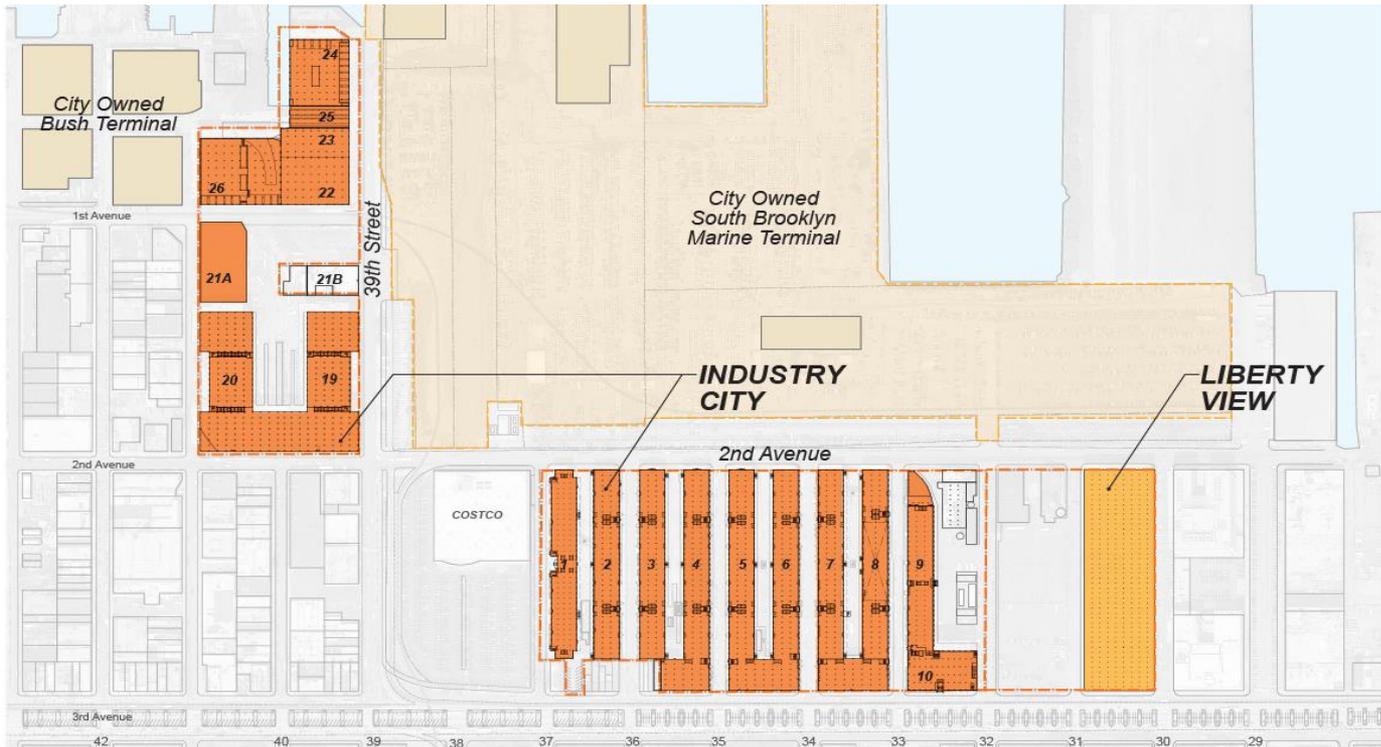
BNY- Steiner Studios



BNY- BLDG 92 Exhibition and Employment Center



At 5.3M SF, IC is the largest privately-owned industrial campus in New York City



Over past 2.5 years ownership has made significant investments in capital, leasing, and partnerships in Sunset Park and beyond.



Capital Improvements



\$125M

committed capital investment towards \$310M of deferred maintenance as of 2013



Leasing Activity



2.4M SF

Leased space since Sept 2013 (**1.4M SF** total newly leased space or expanded space and **1M SF** of renewed and relocated space)



Community and Workforce Partnerships



COMMUNITY INITIATIVES

support neighborhood businesses and local youth

SITE ACTIVATION EVENTS

promote the Innovation Economy and create a community amenity

WORKFORCE PARTNERSHIPS

pre-screening and job placement, entrepreneur incubation

We have a diverse range of manufacturing tenants since 2013 and have leased over 1.3M SF to manufacturing companies

NEW LEASES



MakerBot

3D printer design and manufacturing

225,000 SF / 10 years

300 employees

⌘ ⚙ Ⓜ
ALEXIS BITTAR

Jewelry design and manufacturing

23,000 SF / 7 years

225 employees

DAVID STARK
DESIGN AND PRODUCTION

Event set design and manufacturing

40,000 SF / 10 years

35 employees



Food manufacturing

12,000 SF / 10 years

26 employees



VIRGINIA DARE

Food flavoring manufacturing

150,000 SF / 10 years

200 employees

Roll & Hill

Lighting design and manufacturing

20,000 SF / 4-8 years

20 employees

Fashion Queen

Apparel manufacturing

70,000 SF / 7 years

125 employees



Apparel manufacturing

40,000 SF / 7 years

80 employees

REWEWALS

IC- Innovation Alley

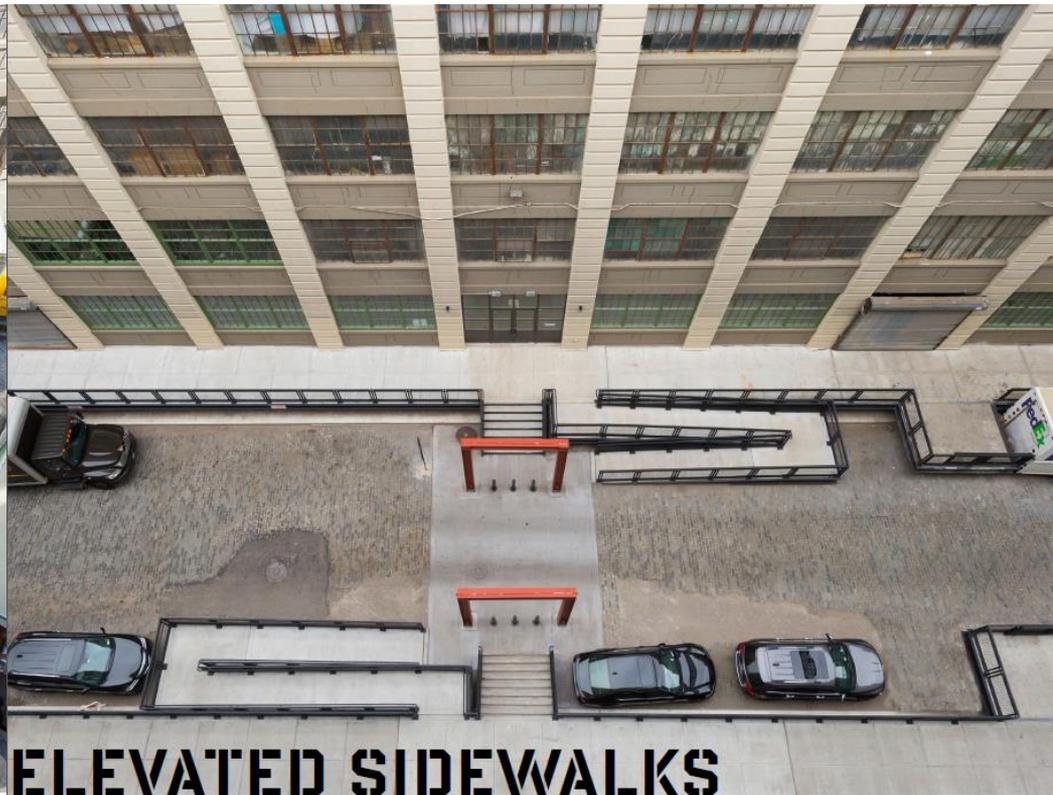
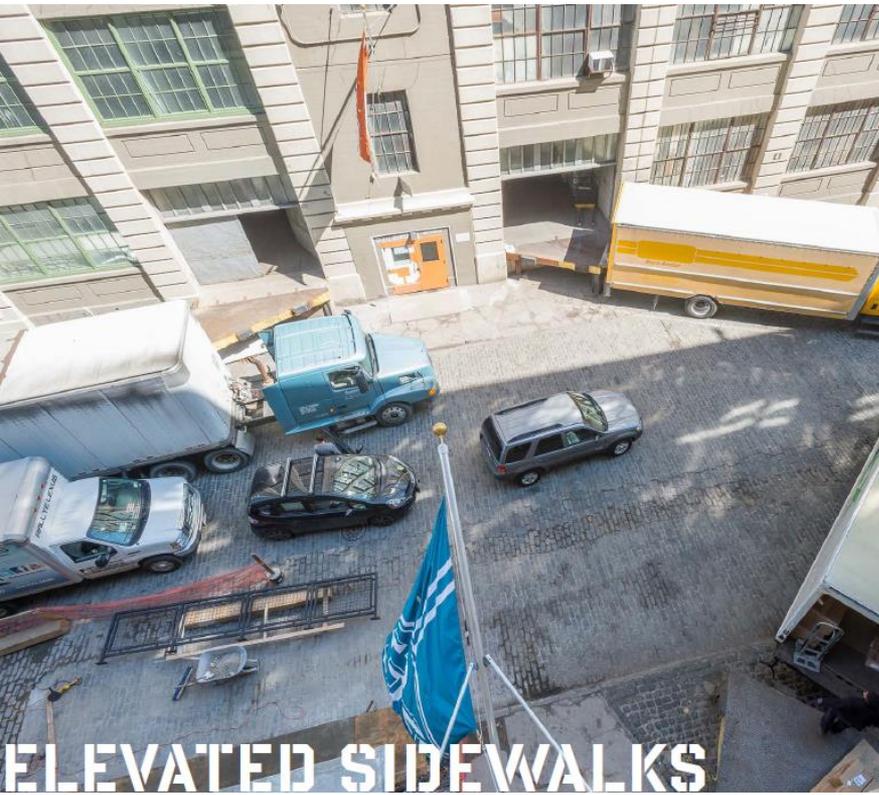


INNOVATION ALLEY

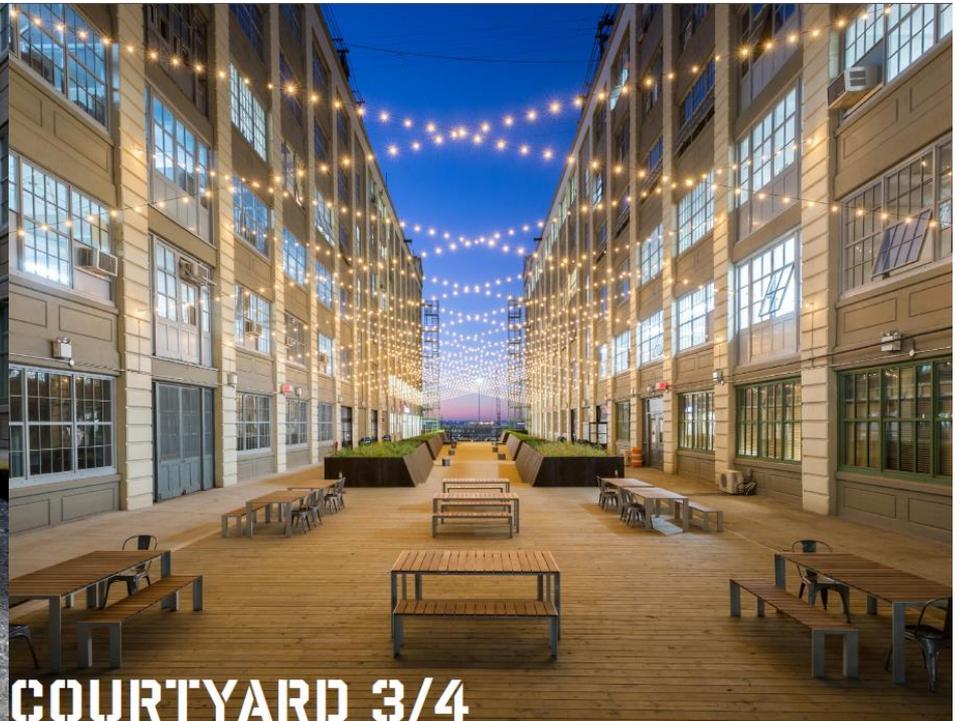


INNOVATION ALLEY

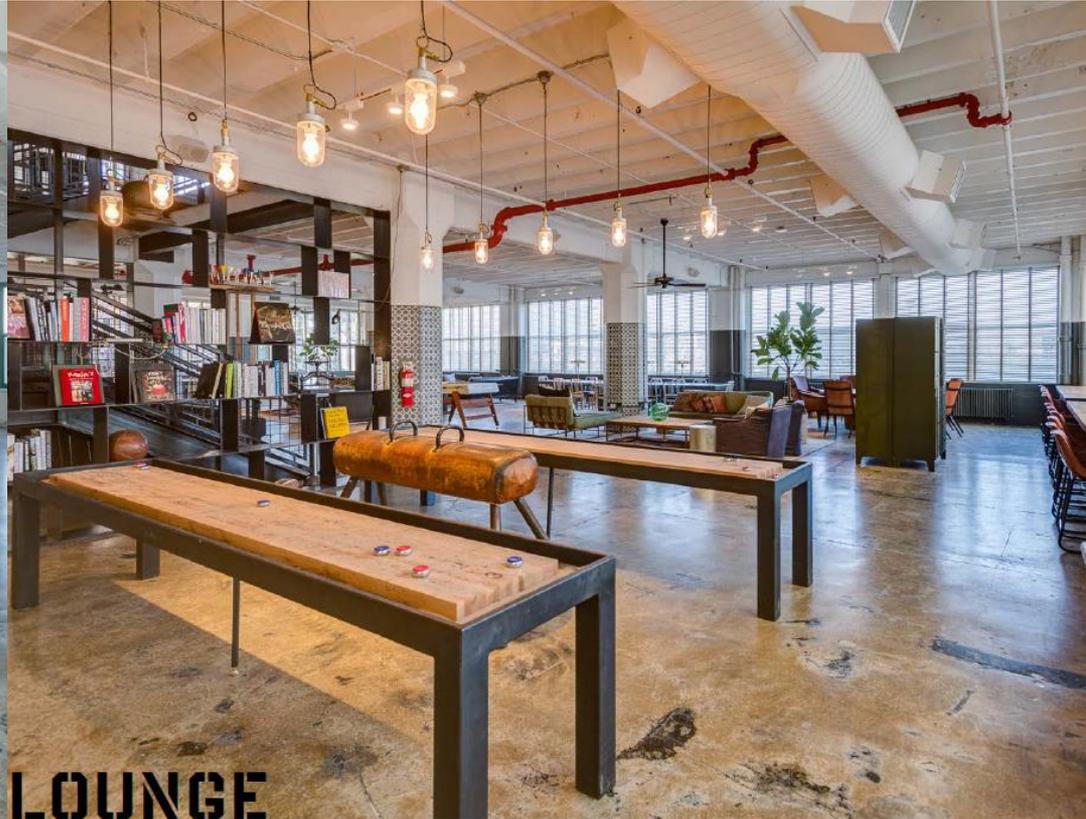
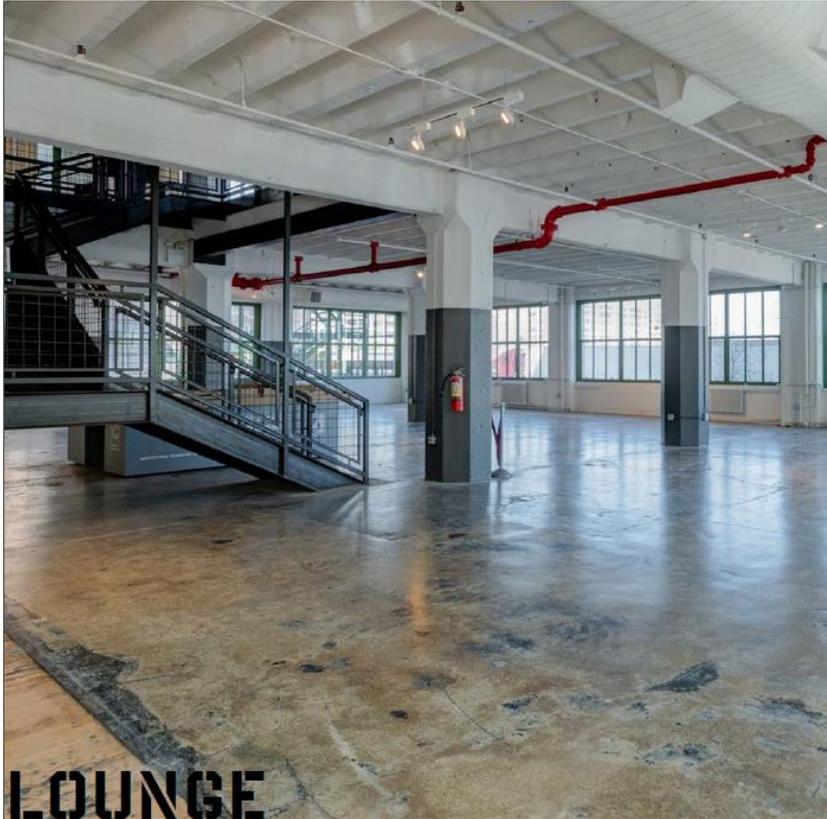
IC- Elevated Sidewalks



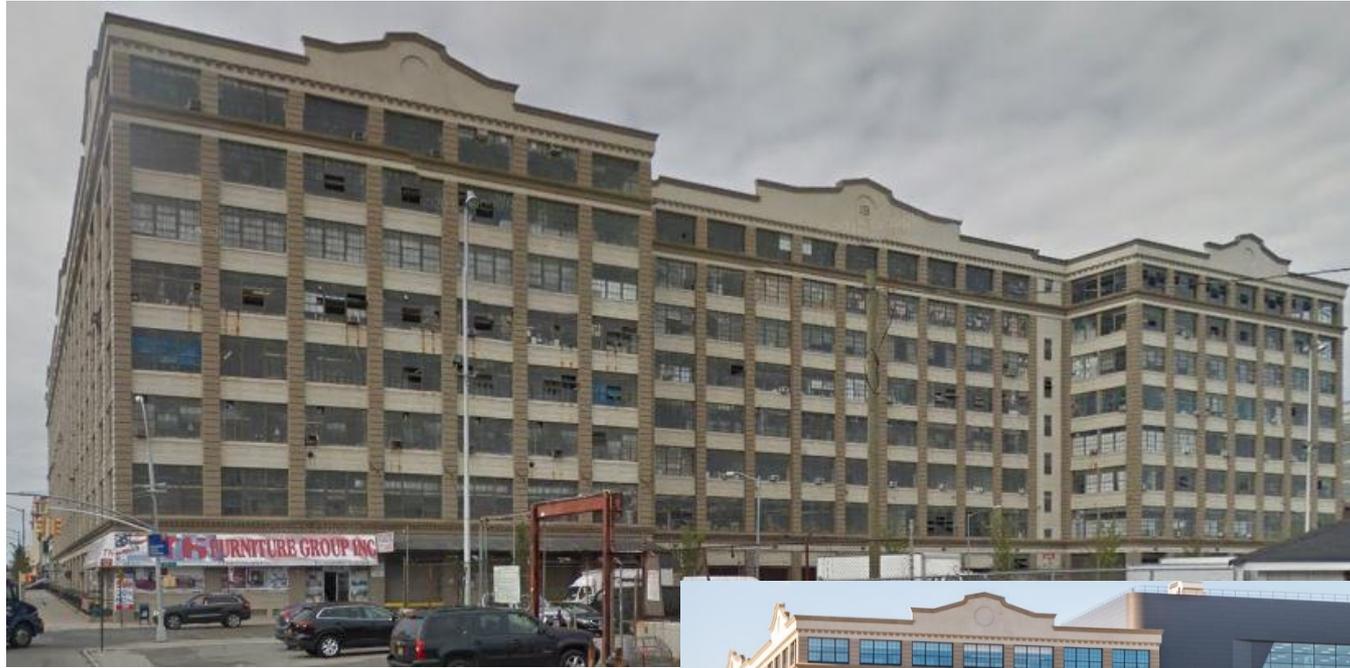
IC-Courtyards



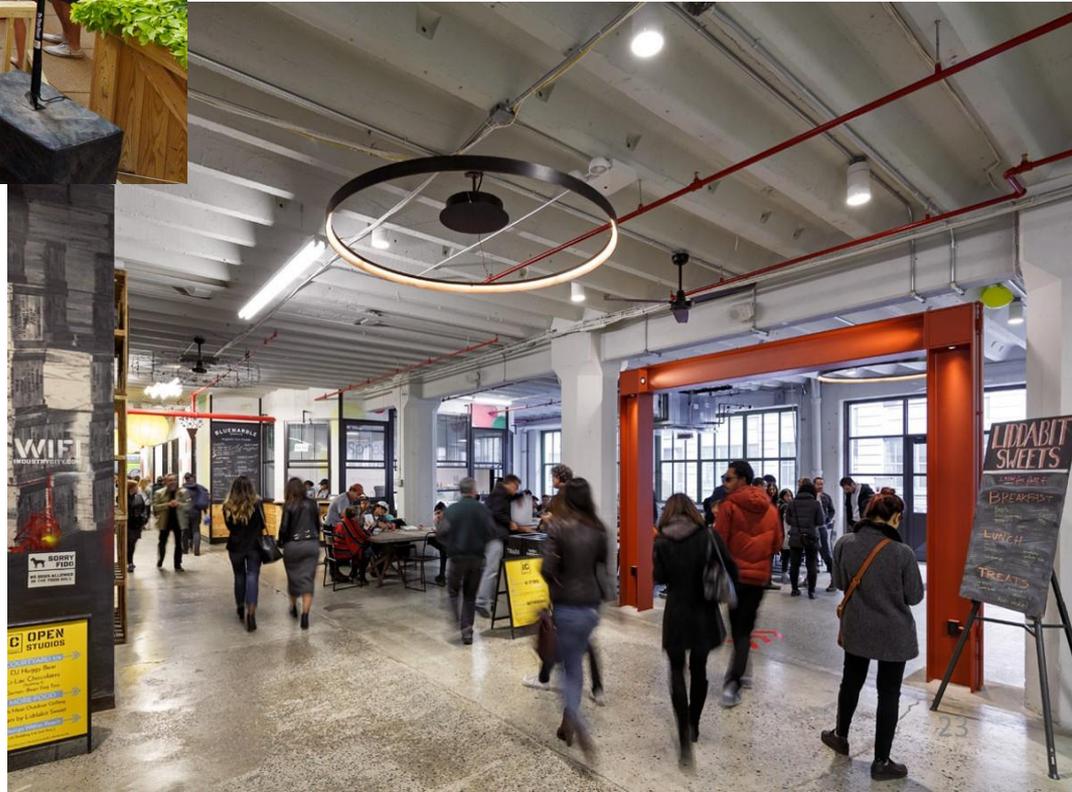
IC- Tenant Lounge



IC- BLDG 19

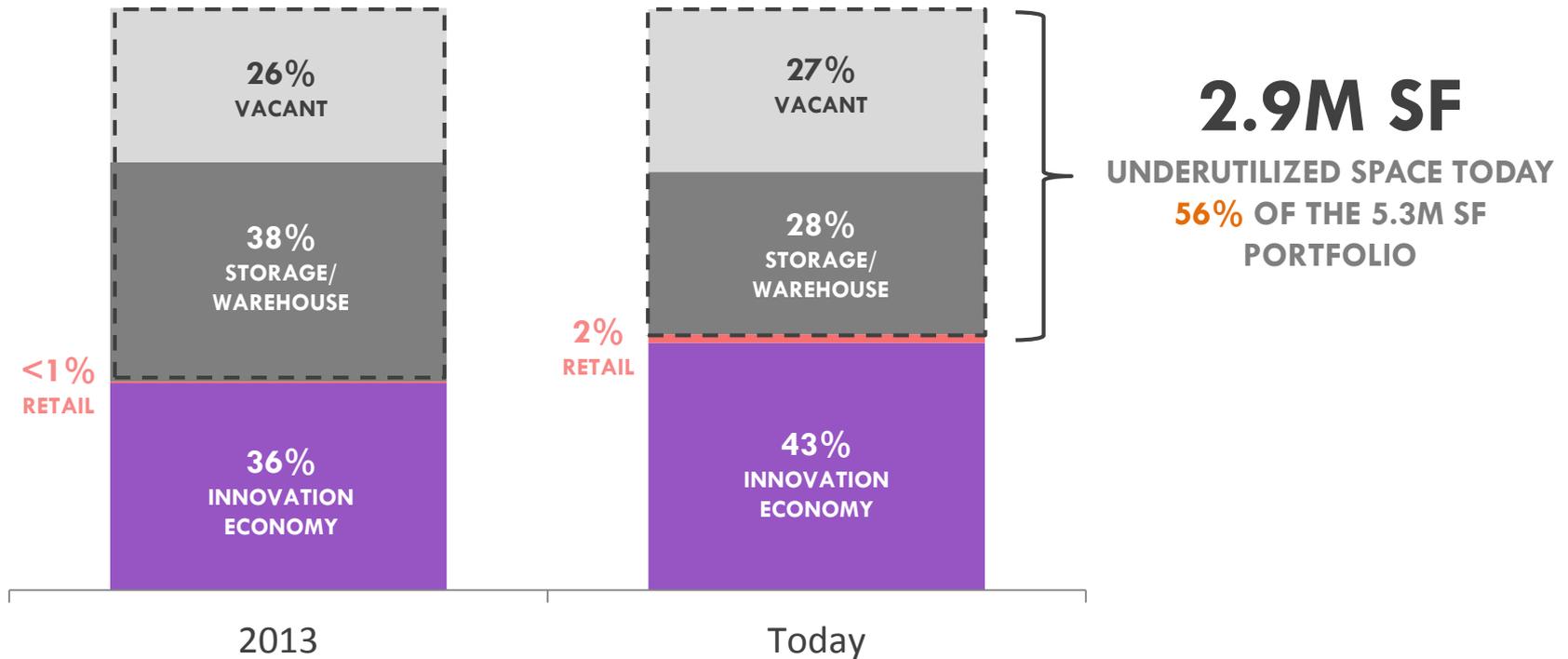


IC- Site Activation



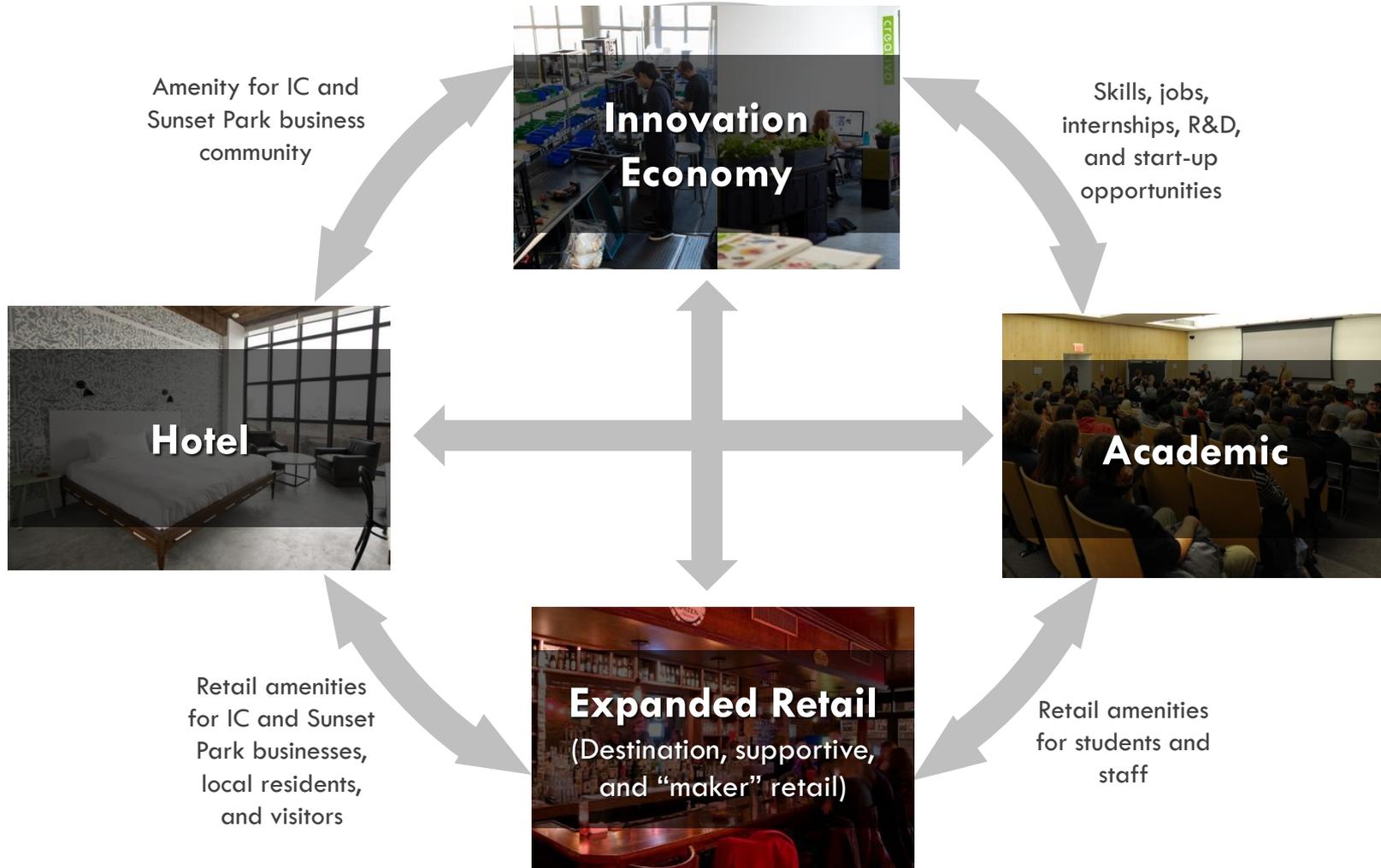
Efforts to fill attract new tenants have only reduced underutilized space at Industry City by 9%.

Industry City Space Utilization, 2013 - 2015

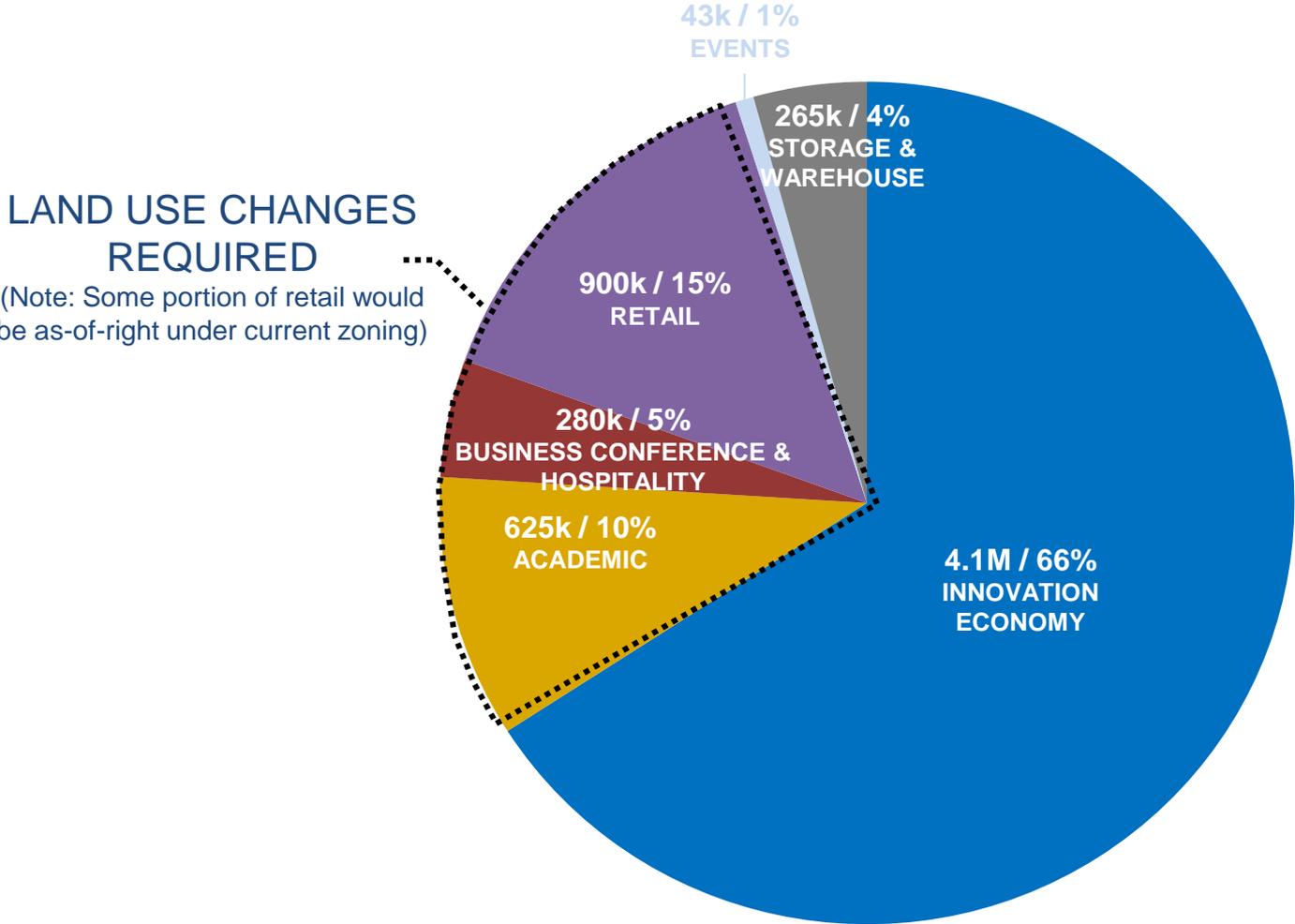


Without regulatory changes, ownership estimates that it will take **25-30 years** to fully invest in the portfolio.

Expanded retail, new academic and hotel uses can create an economically self-sustaining innovation ecosystem portfolio.



The Innovation Economy Ecosystem enables 4M SF of Innovation Economy space to come online w/supportive uses for retail, academic and hotel..



There are two potential scenarios for the future of Industry City.

SCENARIO 1: Investment with Current Land Use Regulations

LEASING AND INVESTMENT:
Bldgs. 1-26 only

PRIMARY USE:
Storage/Warehouse

SECONDARY USE:
Innovation Economy

PORTFOLIO SIZE:
Existing 5.3M SF Footprint

PROJECTED JOB CREATION:
7,000 (5,900 DIRECT)

SCENARIO 2: Investment with Rezoning

LEASING AND INVESTMENT:
Bldgs. 1-26 and new construction

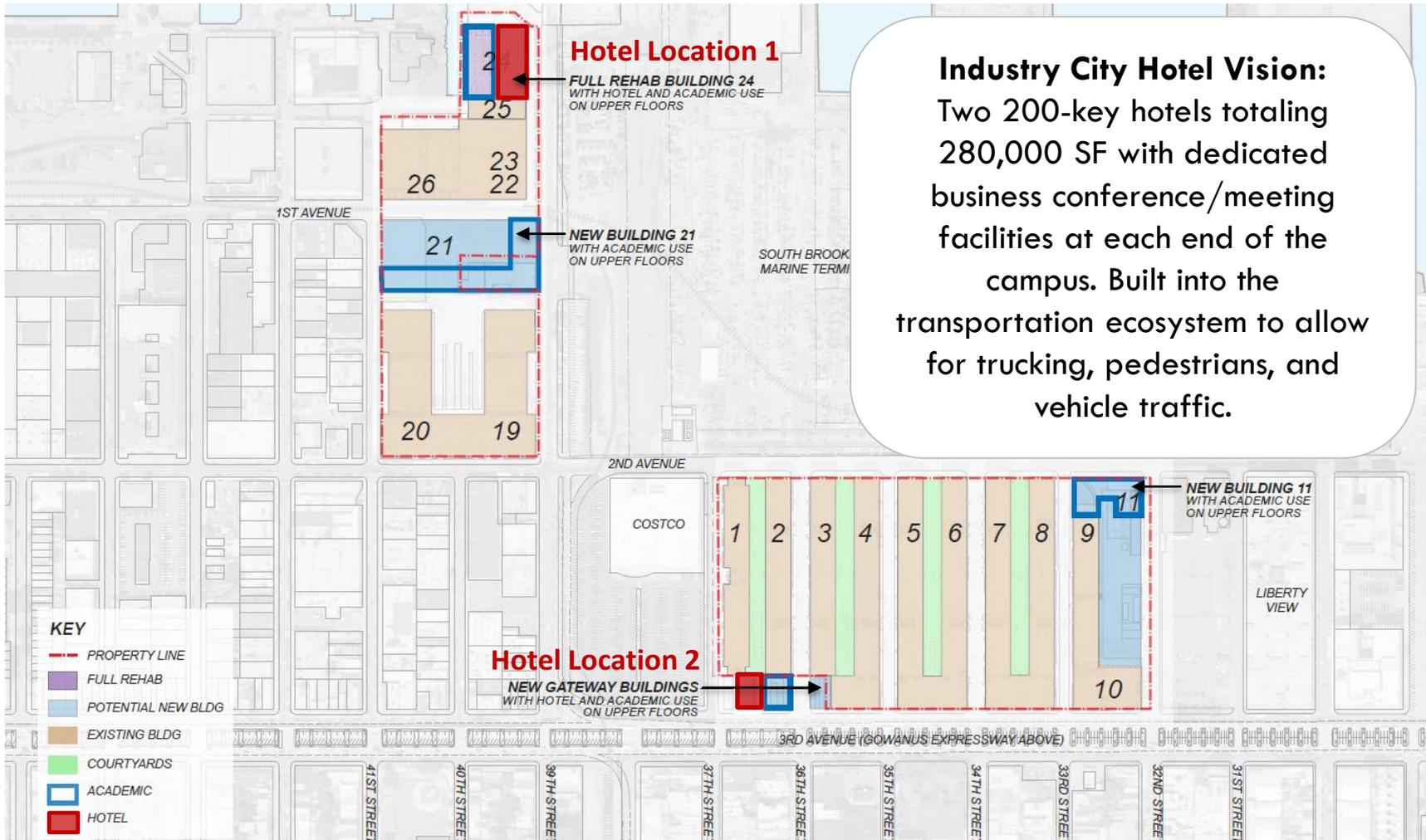
PRIMARY USE:
Innovation Economy

SECONDARY USES:
Academic, Retail, Hotel

PORTFOLIO SIZE:
Expansion to 6.6M SF

PROJECTED JOB CREATION:
20,000 (13,300 DIRECT)

Business conference/hospitality facilities will assist in growing Sunset Park's innovation district with protections against long-term stay, future social service and residential facilities



Successful innovation districts across the country feature a range of uses and amenities.



ACADEMIC ANCHOR(S)					
R&D/LAB					
OFFICE/ CO-WORKING					
STUDENT HOUSING					
HOTEL					
RETAIL					
OPEN SPACE					

* Refers to "innovation housing," managed micro-units with on-site programming and co-working space, targeted at entrepreneurs

We have been focused on community initiatives that connect the local community to Industry City...



The Innovation Lab is open and operating with local partners to support local job creation, education initiatives, training, and entrepreneurship



NEW YORK CITY COLLEGE OF TECHNOLOGY
CITY TECH



**Center for
Family Life
in Sunset Park**
SCO Family of Services



BT OPPORTUNITIES FOR
A BETTER TOMORROW
Building careers through confidence, discipline, and professionalism



Industry City tenants employ a young, local, and diverse workforce with varying education levels.

Of surveyed workers from new and renewed leases since Sept 2013...

51%

Live in the surrounding neighborhoods
(**37%** in Sunset Park)

49%

Are people of color
(Black or African American, Hispanic or Latino, or Asian)

43%

Have less than a Bachelor's Degree

67%

Are under the age of 35
(**21%** under 25)

Workers with only high school diplomas who have been working at Industry City for 5+ years have an average income of **\$60,000**; nearly on par with the \$69,000 average across all educational levels.

Source: HR&A analysis of Industry City Tenant Survey, 2015.

