

BNYDC Refinances EB-5 Debt at Brooklyn Navy Yard with \$58M Loan From AIG

commercialobserver.com/2020/09/bnydc-refinances-eb-5-debt-at-brooklyn-navy-yard-with-58m-loan-from-aig/

By [Mack Burke](#) September 30, 2020 1:32 pm



Aerial view of the Brooklyn Navy Yard, with the Dock 72 development at the bottom left. Courtesy: Brooklyn Navy Yard Development Corp.

The **Brooklyn Navy Yard Development Corporation** (BNYDC) has nabbed \$58 million in debt from life insurance company **AIG** to retire EB-5 financing that had been used to make improvements to the **Brooklyn Navy Yard**, according to city mortgage records and sources who spoke with Commercial Observer.

The 20-year, fixed-rate loan pays interest at a rate under 4 percent and was used to pay off existing EB-5 financing that had been employed over the last 7 years by BNYDC to upgrade the Brooklyn Navy Yard's infrastructure and make other improvements, according to information from **Singer & Bassuk Organization**, which sourced and arranged the financing.

Subordinate ground leasehold positions collateralize the financing, providing “strong security of cash flow to the lender, and lowest-cost financing to the borrower,” as per information from Singer & Bassuk.

The subordinate ground leases under **Boston Properties** and **Rudin Management Company**’s newly-built, 675,000-square-foot **Dock72** office building as well as under two **Steiner Studios**-leased industrial buildings acted as collateral in this deal.

AIG declined to comment on the transaction.

“This financing is a key driver of our largest expansion since WWII, which will bring our job total to more than 20,000 in the coming years,” BNYDC president and CEO **David Ehrenberg** said in a statement.

BNYDC is the non-profit development and management arm representing the city of New York in matters related to the city-owned Brooklyn Navy Yard, which was once one of the country’s most active and well known shipbuilding yards located off Flushing Avenue in Brooklyn. The 300-acre site is now home to more than 450 businesses and generates over \$2.5 billion per year for the city, according to information from BNYDC’s website.

New York-based advisory firm Singer & Bassuk president **Scott Singer** as well as **Kathleen McSharry** worked with BNYDC’s Ehrenberg, **Paul Kelly**, **Melissa Goldschmid**, **Wimal Ariyawansa** and **Avi Sharoni** in securing the debt. **Goulston & Storrs’ Max Friedman** served as outside counsel in the transaction.

“BNYDC has successfully leveraged EB-5 bridge financing to create 6,000 jobs in recent years, and we are delighted to have facilitated 20-year replacement financing which will further strengthen the Brooklyn Navy Yard as an engine of economic activity and job growth for the City going forward,” Singer said in a statement. A representative for Singer & Bassuk and officials at BNYDC declined to comment on the lender’s identity.

Businesses located in the Brooklyn Navy Yard include **WeWork**, which has leased about a third of the office space at Dock72, and startup **Easy Aerial**, which manufactures autonomous drones. These two are among a variety of other firms from various sectors and disciplines that call the site home, such as in education, media, art and photography, warehousing, transportation, logistics, manufacturing and printing.