

# REAL ESTATE WEEKLY



## Navy Yard powers into New Year

BY CHRISTIAN BRAZIL BAUTISTA • DECEMBER 28, 2016

The Brooklyn Navy Yard has just closed \$62 million in loans to refinance its debt through the EB-5 program.

The loans came in two separate transactions. Sterling National Bank provided a 15-year, \$30.75 million loan. Meanwhile, Symetra Life Insurance Company provided \$31.68 million in financing with a term of 21.5 years. The funds will be used to repay a \$60 million EB-5 loan from the New York Regional Center.

“These loans demonstrate the financial health of the Brooklyn Navy Yard and place the Yard on strong financial footing as we undergo our largest expansion in 50 years,” said David Ehrenberg, the president and CEO of the Brooklyn Navy Yard Development Corporation.

The financing comes during an active year at the Brooklyn Navy Yard. The industrial park, which covers four million square feet of space in the Brooklyn neighborhood of Wallabout, has become a popular landing site for food manufacturers and early-stage start-ups. The facility closed 400,000 s/f in lease deals,

with more than 39 companies either signing new leases or expanding their space.

“2016 at the Brooklyn Navy Yard was all about expansion,” said Brooklyn Navy Yard Development Corporation President and CEO David Ehrenberg. “The leasing efforts of our team over the last year will play a key role in our growth as we double in square feet and employees in the next few years. The innovative

manufacturing businesses and start-ups that have joined the Yard in 2016 will play an important part in our future.”

The largest lease deals involved chocolate company Mast Brothers, which signed a 64,755 s/f deal last April, and Brooklyn Brewery, which took 75,000 s/f last May. Other deals include vintage furniture rental shop Patina Studios (18,790 s/f) and restaurant Russ & Daughters (14,866 s/f).

The Brooklyn Navy Yard also expanded its roster of business incubators with B.Amsterdam, a Dutch organization that oversees product design, hardware and tech firms, and 1776, a Washington D.C.-based that specializes in early-stage start-ups.

Representatives for the Brooklyn Navy Yard were quick to point to the economic boost that the facility provides to the area. The property’s new tenants generated about 2,000 jobs, which brings the facility closer to its promise of generating 16,000 jobs by 2020. Meanwhile, about half of the new leases involved minority and women owned businesses.

The property, a former military facility, is profiting from a facelift. Building 77, a one million square foot facility that will come with a food manufacturing hub on the ground floor, is currently undergoing a \$185 million renovation.

Meanwhile, another portion of the complex, the Green Manufacturing Center, was recently completed. The \$68 million facility will house companies such as Crye Precision, New Lab and Brooklyn Roasting Company. Other points of expansion in the facility include Dock 72, a \$380 million joint venture between Boston Properties, Rudin Development and WeWork, and Admirals Row, a \$140 million project that will be anchored by a location for Wegmans supermarket.

The Singer & Bassuk Organization served as the financial adviser and mortgage broker for BDNYC. Meanwhile, Goulston & Storrs served as counsel.