



BROOKLYN NAVY YARD FIRST PROJECT IN REGIONAL CENTER PROGRAM FOR NEW YORK CITY

Industrial park to receive \$60 million investment, develop two green buildings & create 1,200 jobs through innovative program

Brooklyn, NY (May 10, 2010) – In a first for New York City, an innovative program that raises capital for economic development projects in high unemployment areas across the nation has generated \$60 million in investment at the Brooklyn Navy Yard. The New York City Regional Center (NYCRC) is providing the financing through the EB-5 visa program of the U.S. Citizenship and Immigration Services (USCIS). The EB-5 program allows foreign investors to invest in job creating projects in areas of high unemployment in exchange for expedited access to green cards. The money will be used to develop new industrial space and upgrade the Yard's infrastructure. Combined with \$81 million in City-funded infrastructure investment, the three-year project will result in more than 1,200 new jobs at the city-owned industrial park.

"Now more than ever, we have to find innovative ways to secure private investment and finance important infrastructure projects, and Alan Fishman, Andrew Kimball and the Brooklyn Navy Yard Development Corporation are doing just that through the EB-5 program," said Deputy Mayor for Economic Development Robert C. Lieber. "We've already pumped \$140 million into the growing Navy Yard, which is fast becoming a nationwide model for a successful urban industrial park, and this new infusion of capital will go a long ways towards helping us complete its expansion."

Through the EB-5 program, a person and their immediate family can obtain a green card by investing \$500,000 into a Regional Center project that creates a minimum of 10 jobs for US workers in a Targeted Employment Area as designated by the NYS Department of Labor. The financing is the first in the Navy Yard for the privately run NYCRC, one of 70 regional centers designated by the USCIS across the country. Investors who obtain the visas are repaid their original investment plus interest after an approximately five-year period. BNYDC is able to borrow the funds at below market rates from NYCRC.

NYCRC raised \$60 million for BNYDC by attracting 120 investors from around the world seeking to secure US residency for themselves and their children, under 21 years old. Investors included individuals from China, Korea, Venezuela, Mexico and Argentina. The loan will allow BNYDC to proceed with the \$30 million Green Manufacturing Center, a 220,000-square-foot, LEED Silver-certified building. Construction will begin in June and is expected to take 18 months. The NYS Senate Majority, the Empire State Development Corporation and the federal Economic Development Administration are also providing funding for the Green Manufacturing Center. The balance of the loan proceeds will be invested in additional job-creating industrial space and infrastructure improvements.

“It is no surprise that securing private financing for economic development projects has been challenging,” said Alan Fishman, BNYDC chairman. “Affordable financing through the New York City Regional Center will jump-start some of our projects and create good paying, green-collar careers.”

“The New York City Regional Center is a tremendous alternative lending source that accelerates the largest expansion of the Navy Yard since WWII and creates more than a thousand jobs, many of which will go to residents in the surrounding community,” said Andrew Kimball, BNYDC president and CEO. “The Bloomberg Administration’s long-term commitment to upgrading basic infrastructure at the Yard made it the ideal location for New York City’s first Regional Center investment.”

The NYCRC offers an opportunity to obtain permanent residency status in the United States while helping to fund a wide range of real estate projects in areas of high unemployment throughout the city. NYCRC will provide loans to large-scale real estate projects including civic, commercial, hospitality and industrial.

“Over the coming years, the NYCRC is looking forward to providing funding for important projects that help create thousands of jobs for New Yorkers,” said George Olsen, Managing Principal of the NYCRC. “We are proud to be a part of the exciting redevelopment work at the Navy Yard.”

The 300-acre Brooklyn Navy Yard is in the midst of its largest expansion since WWII. This expansion has been driven by the Yard’s strong track record of leasing space and by major investments from the Bloomberg Administration in basic infrastructure and increasing levels of funding from the State and federal governments. The Yard’s existing four million square feet of space – currently consisting of 40 rentable buildings with more than 240 tenants – is 99 percent occupied.

The Brooklyn Navy Yard is one of the most environmentally-sustainable urban industrial parks in the nation. In addition to being a home for more than 30 green businesses, the BNYDC is implementing a series of sustainability initiatives including: building the nation’s first multi-story, multi-tenanted LEED Silver and Gold industrial buildings; installing the City’s first building-mounted wind turbines and first wind-solar street lamps; investing in more than \$200 million in adaptive reuse projects to renovate historic Navy-built buildings for their original industrial intent; using green technologies for renovations and maintenance, such as Energy Star roofs and energy efficient windows; undertaking a major water/sewer project to upgrade the Yard’s aging infrastructure and improve water conservation; rebuilding the road system with improved storm-water management systems; purchasing hybrid and low-emission vehicles for the Yard’s fleet; installing solar-powered, compacting trash cans; purchasing eco-friendly paint and cleaning products; installing bicycle racks and lanes; and providing setbacks along the perimeter of Yard to enable the first phase of the Brooklyn Waterfront Greenway for bicyclists and pedestrians.

About the Brooklyn Navy Yard

The Brooklyn Navy Yard is owned by the City of New York and managed by the not-for-profit Brooklyn Navy Yard Development Corporation. BNYDC leases space in the Yard, promotes local economic development, develops underutilized areas and oversees modernization of the Yard’s infrastructure. The corporation’s board of directors is comprised of leaders of Brooklyn’s economic development community. Established in 1801, the Brooklyn Navy Yard served as one of America’s preeminent military facilities for more than 150 years. Closed by the federal government in 1966, the City of New York subsequently assumed ownership and re-opened the Yard as an industrial park.