

COMMERCIAL OBSERVER

Building 77 at Brooklyn Navy Yard Slated for \$80 M. Renovation

BY **AL BARBARINO** 3/06/13 11:04AM

The Brooklyn Navy Yard Development Corporation (BNYDC) announced today the launch of a \$80 million renovation of a one million-square-foot warehouse known as Building 77 at the Brooklyn Navy Yard.

Construction on the 16-story property is set to begin in the spring of 2013 and will be completed in 18 months, with plans to transform the former ammunition depot into a hub for manufacturing and technology innovation, built to LEED Silver standards.

“Thanks to \$80 million of private investment from BNYDC and investors, Building 77 will come back to life as a hub of manufacturing and technology innovation,” said **Andrew Kimball**, president and CEO of the Brooklyn Navy Yard Development Corporation, in a statement.



BROOKLYN NAVAL YARD, Main Gate 1900s

(New York State Military Museum)

BNYDC will spend roughly \$60 million in base-building work financed through a loan using the federal EB-5 program, as well as Federal and New York State historic rehabilitation and new markets tax credits.

It will lease 240,000 square feet to **Jack Basch**, a Brooklyn-based developer and entrepreneur, owner and CEO of **Shiel Medical Laboratories**. Shiel will occupy at least one floor, approximately 60,000 square feet, and Mr. Basch will sub-lease the rest of the space. Mr. Basch, along with sub-tenants representing high-tech industrial and medical-service companies, will foot the remaining \$20 million of the bill for the build-out of his space.

“Shiel Medical Laboratory is on the leading edge of medical diagnostics” said Mr. Basch, in a statement. “Our expansion into Building 77 will provide room for our rapid growth as well as a space for other high-tech medical services companies.”

The remaining 750,000 square feet of the building will be renovated by BNYDC, geared to attract tech and manufacturing companies.

A statement from BNYDC's said that Mr. Basch will work with **Employment Center** to ensure that as many as possible local residents find jobs with Shiel and its sub-tenants, resulting in the creation of up to 1,500 new jobs over the next five years.

The 300-acre, city-owned Navy Yard has 4.5 million square feet of leasable space, made up of 40 rentable buildings with more than 300 tenants. The Bloomberg administration has funneled more than \$200 million into the city-owned Navy Yard, where employment has increased from 3600 in 2001 to 6400 today

“By attracting millions of dollars of private investment as leverage on top of the investments made by the Bloomberg Administration, the transformation of Building 77 is another example of successful public-private partnerships at the Navy Yard,” said Deputy Mayor for Economic Development **Robert Steel**, in a statement.