ECONOMIC EFFECTS ON SUNSET PARK COMMUNITY BOARD 7 TOWN HALL

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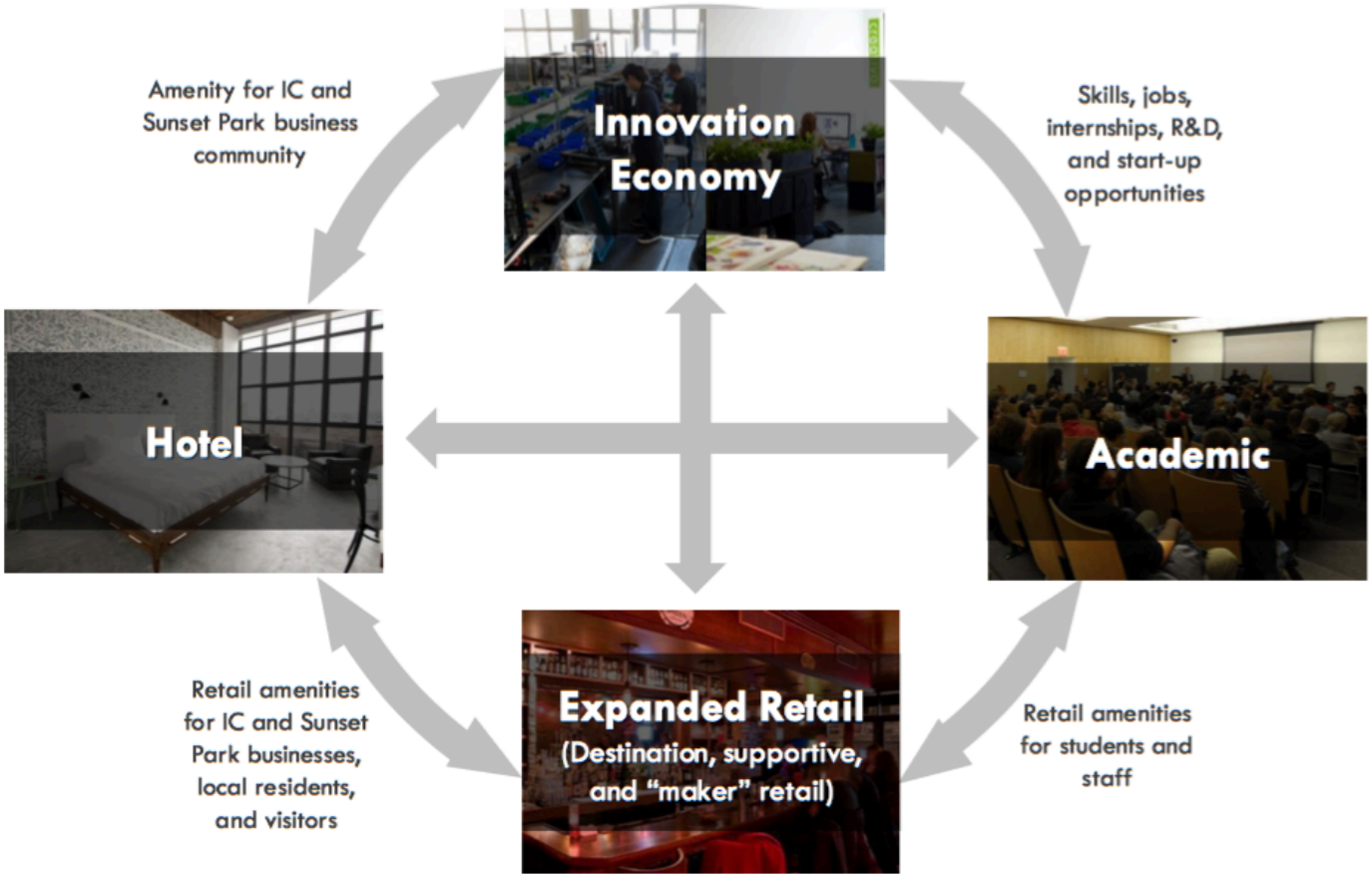
Data Sources and Sunset Park Definition

- **Demographic Data**
  - 2016 American Community Survey 5 year estimates
- **Property Data**
  - 2012 and 2018 NYC Department of Finance Annualized Sales Data
- **Industry Data**
  - 2000 and 2015 NYS Quarterly Census of Employment & Wages
- **Garment Manufacturers and Contractors Data**
  - 2012 and 2018 NYS Department of Labor Apparel Task Force
- Andrew Kimball's "Adaptive Reuse on the Brooklyn Waterfront" powerpoint for the 2016 Connecticut Brownfield Conference.

Sunset Park Zip Code Definition – 11220, 11232

Industry City CEO Andrew Kimball Keynote PPT

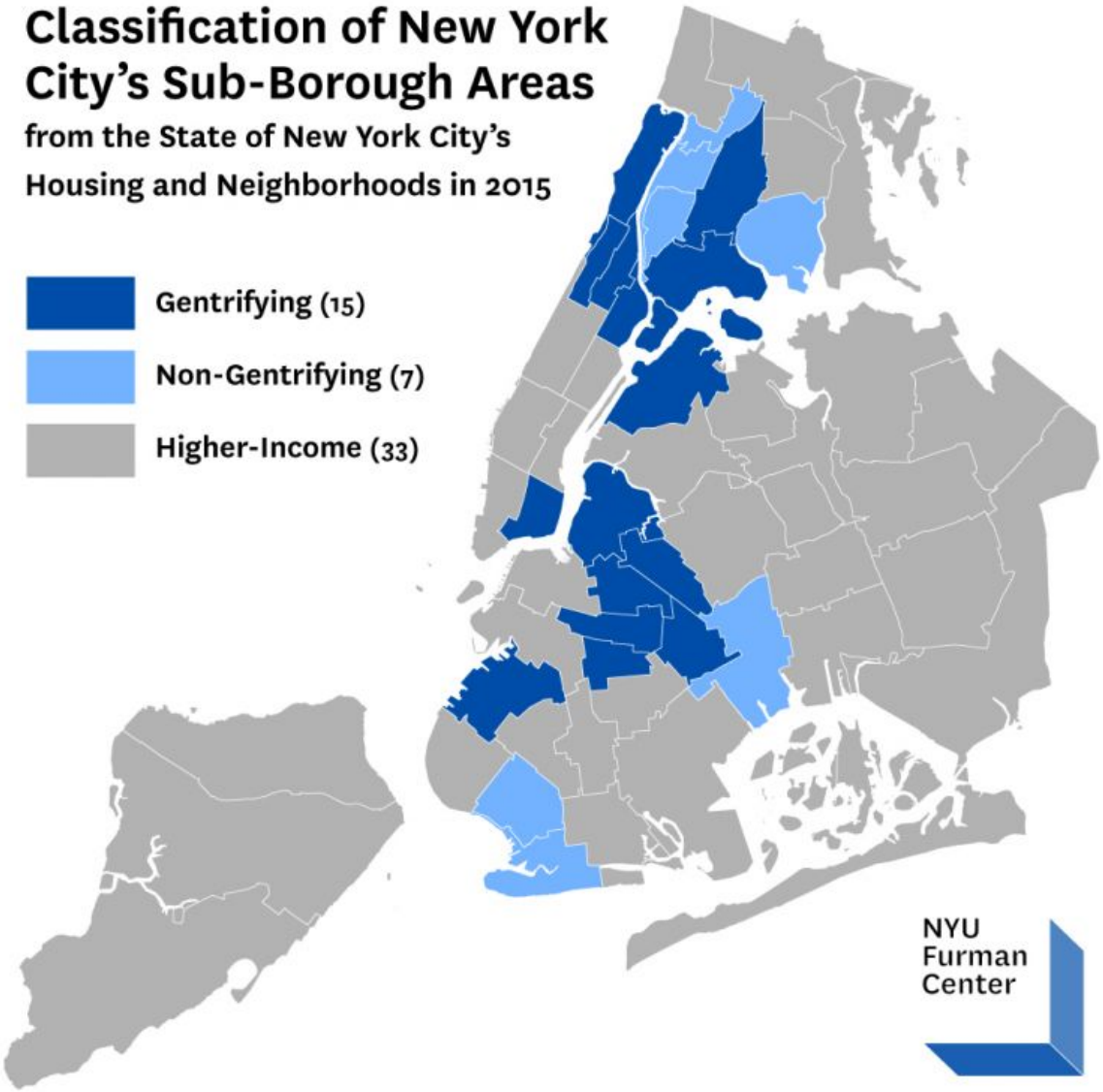
Expanded retail, new academic and hotel uses can create an economically self-sustaining innovation ecosystem portfolio.



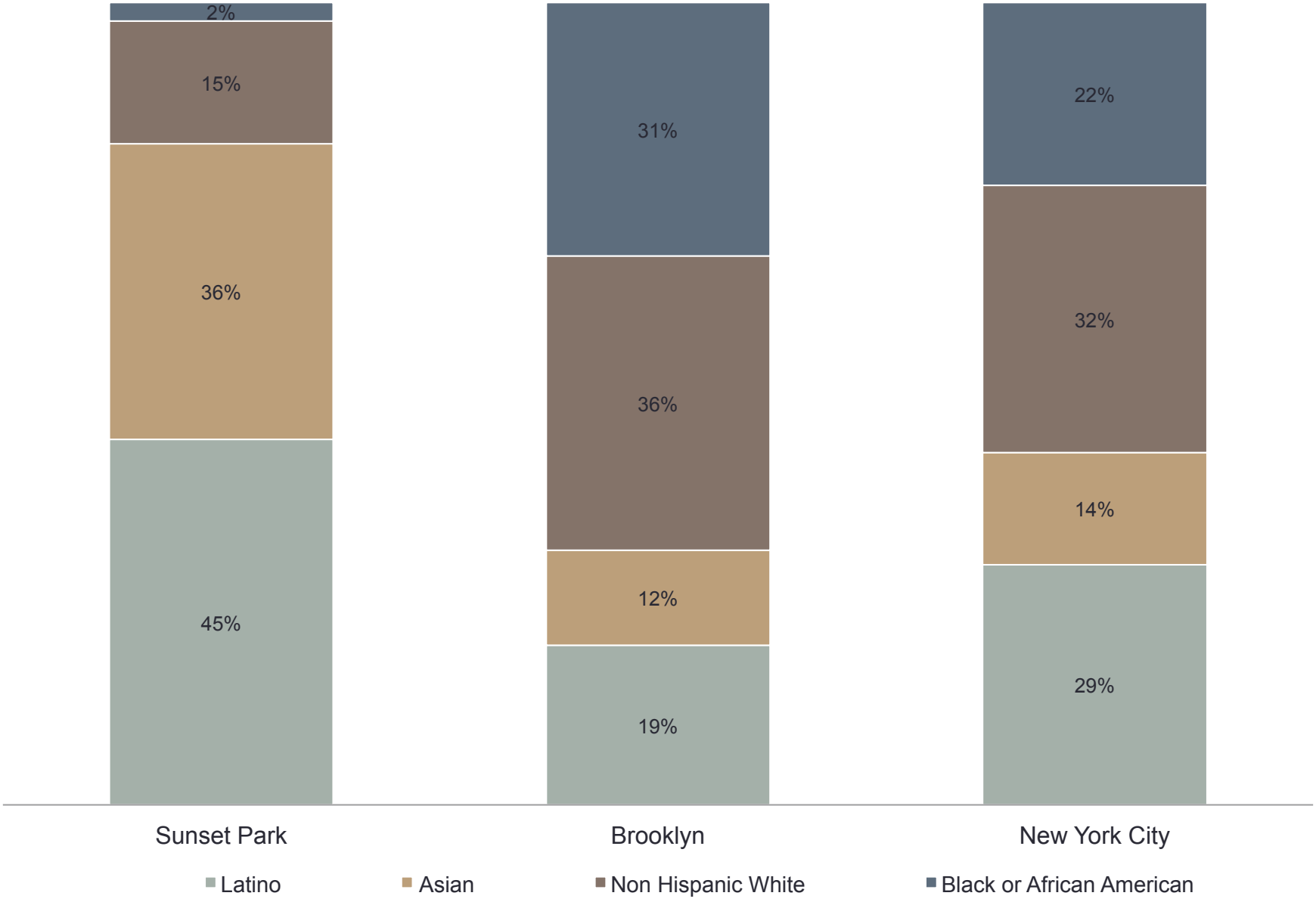
Industry City CEO Andrew Kimball Keynote PPT

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

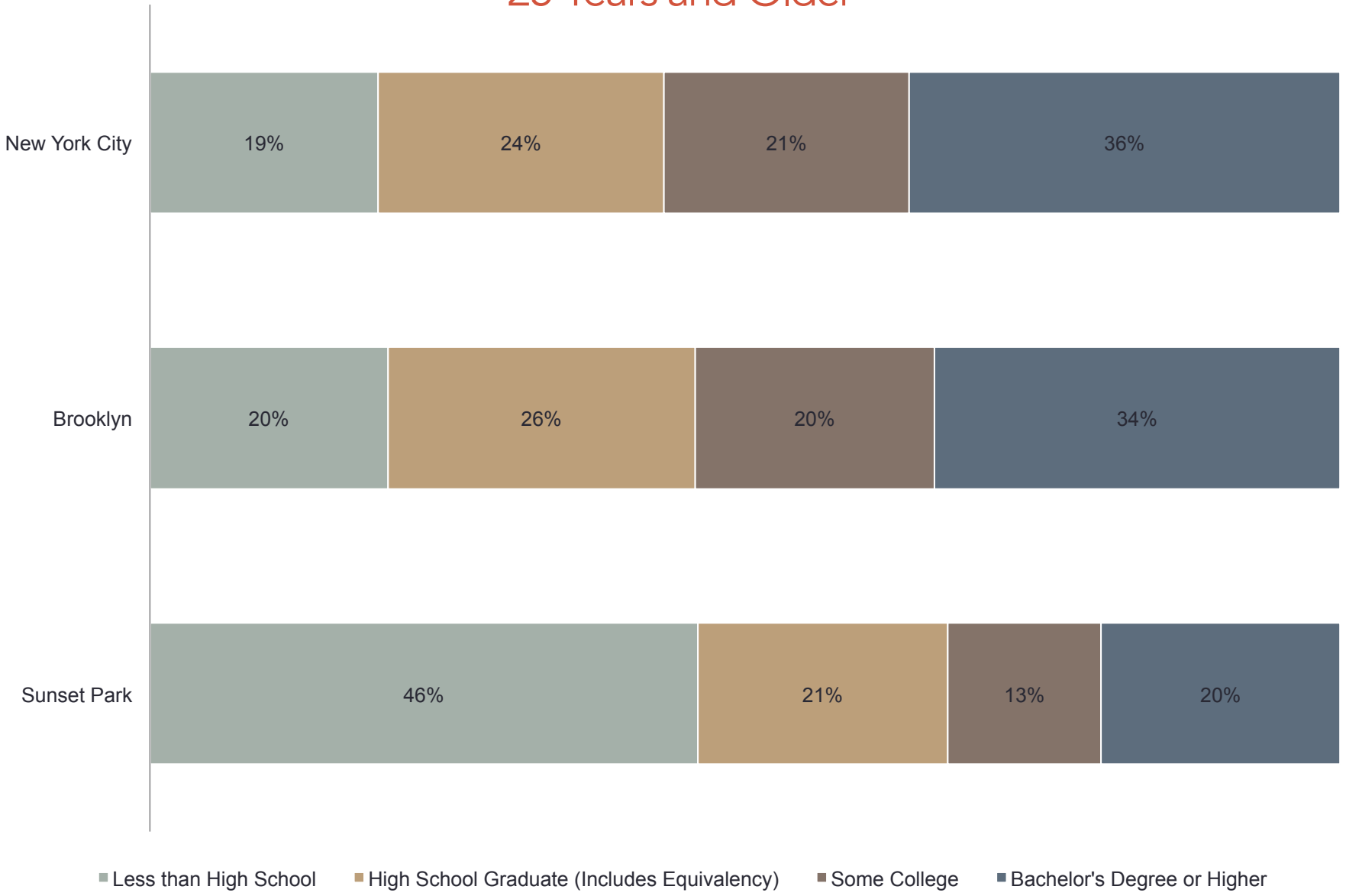
SCENARIO 1: Investment with Current Land Use Regulations	SCENARIO 2: Investment with Rezoning
LEASING AND INVESTMENT: Bldgs. 1-26 only	**LEASING AND INVESTMENT:** Bldgs. 1-26 and new construction
PRIMARY USE: Storage/Warehouse **SECONDARY USE:** Innovation Economy	**PRIMARY USE:** Innovation Economy **SECONDARY USES:** Academic, Retail, Hotel
PORTFOLIO SIZE: Existing 5.3M SF Footprint	**PORTFOLIO SIZE:** Expansion to 6.6M SF
PROJECTED JOB CREATION: 7,000 (5,900 DIRECT)	**PROJECTED JOB CREATION:** 20,000 (13,300 DIRECT)


Classification of New York City's Sub-Borough Areas
from the State of New York City's Housing and Neighborhoods in 2015
Gentrifying (15)
Non-Gentrifying (7)
Higher-Income (33)
NYU Furman Center

Race Composition by Geography, 2016



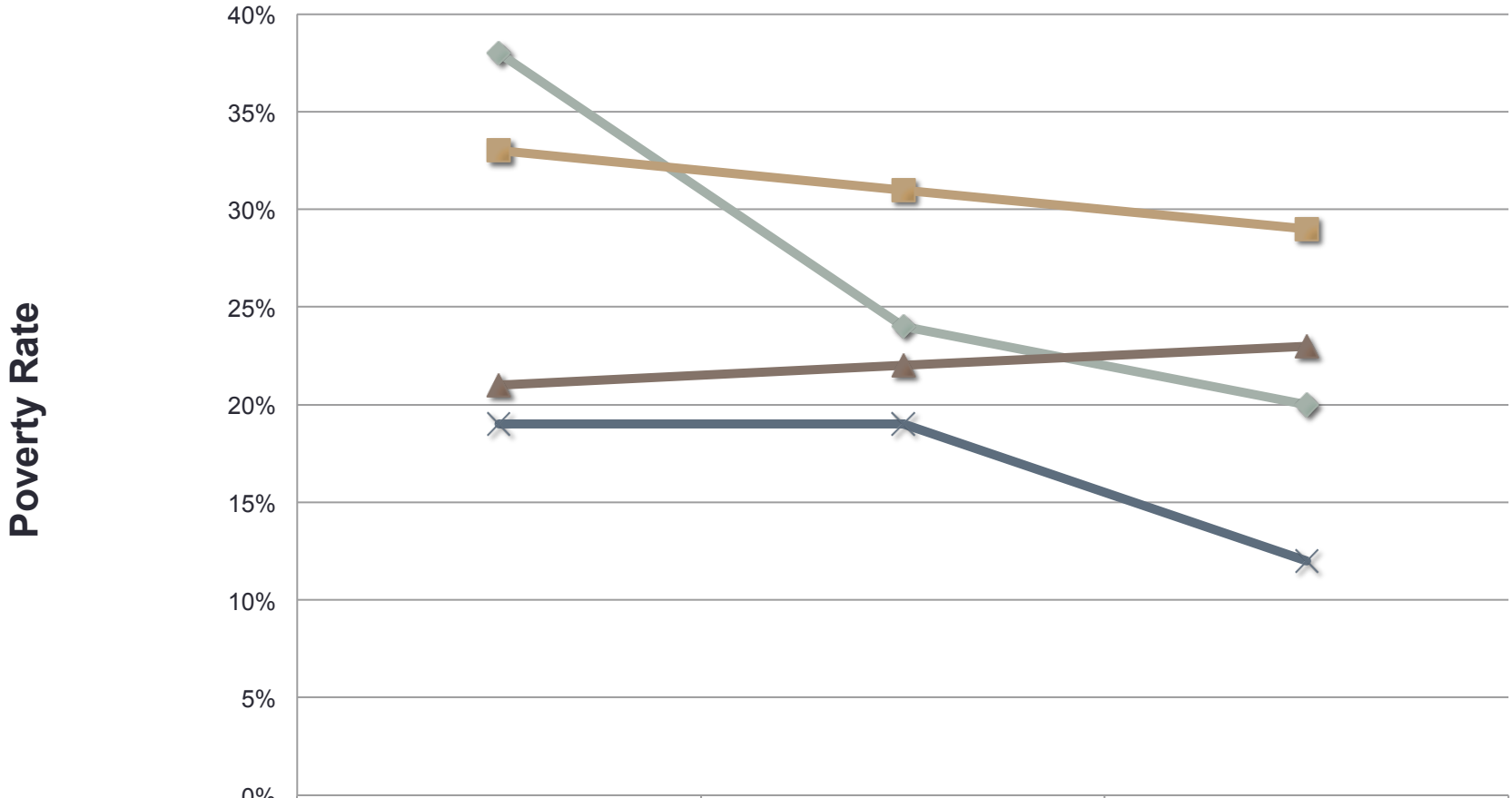
Educational Attainment for Population 25 Years and Older



Per Capita Income By Race and Geography, 2016

	Sunset Park	Brooklyn	New York
Non Hispanic White	$36,365	$39,474	$57,220
Latino	$15,628	$18,496	$19,031
Asian	$13,436	$23,733	$30,733
Black or African American	$24,959	$22,504	$22,751

Poverty Rate by Race and Geography, 2016



	Sunset Park	Brooklyn	New York City
Asian	38%	24%	20%
Latino	33%	31%	29%
Black or African American	21%	22%	23%
Non Hispanic White	19%	19%	12%

Housing Units by Geography, 2016

	Sunset Park	Brooklyn	New York City
Total Housing Units	40,484	1,021,747	3,436,084
% Owner Occupied Units	24%	30%	32%
% Vacant Units	6%	8%	9%

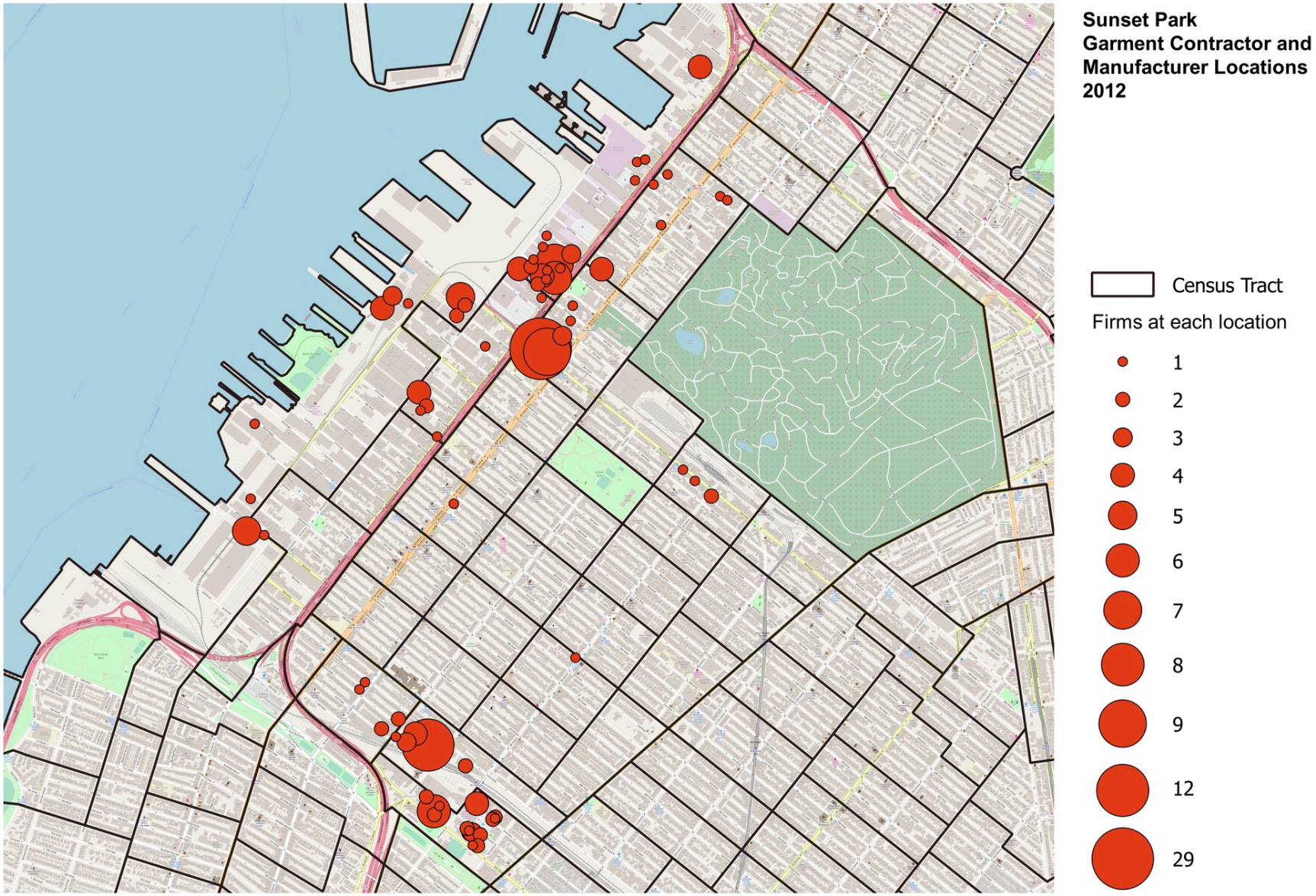
Sunset Park Neighborhood Economy
Top Ten Industry Sectors in 2000 and 2015

	2000				2015		
Industry Sectors	Firms	Employed	Avg. Wages[1]	Industry Sectors	Firms	Employed	Avg. Wages
ALL PRIVATE SECTOR	2,341	34,841	$36,605	ALL PRIVATE SECTOR	3,784	39,505	$42,771
Top Ten Sectors	1,166	19,288	----	Top Ten Sectors	1,541	23,327	----
	50%	55%	----		41%	59%	----
APPAREL MANUFACTURING	272	4,677	$15,999	HOSPITALS	5	4,209	$65,464
SOCIAL ASSISTANCE	27	3,507	$24,446	AMBULATORY HEALTH CARE SERVICES	174	3,976	$48,301
SPECIALTY TRADE CONTRACTORS	162	1,832	$55,187	SPECIALTY TRADE CONTRACTORS	199	2,660	$56,536
NONDURABLE GOODS WHOLESALERS	177	1,725	$35,728	FOOD SERVICES & DRINKING PLACES	309	2,023	$17,901
ADMINISTRATIVE & SUPPORT SERVICES	46	1,688	$24,655	NONDURABLE GOODS WHOLESALERS	242	2,022	$35,249
DURABLE GOODS WHOLESALERS	117	1,601	$50,800	SOCIAL ASSISTANCE	85	1,975	$29,930
AMBULATORY HEALTH CARE SERVICES	64	1,550	$32,322	NURSING & RESIDENTIAL CARE	18	1,935	$28,684
FOOD MANUFACTURING	35	1,150	$39,638	GROCERY STORES	240	1,743	$17,987
FOOD SERVICES & DRINKING PLACES	136	806	$15,386	DURABLE GOODS WHOLESALERS	172	1,503	$57,046
GROCERY STORES	130	752	$21,799	ADMINISTRATIVE & SUPPORT SERVICES	97	1,281	$29,759

[1]Wages in 2015 Dollars

Data Source: 2Q 2000 and 2015 QCEW, NYS DOL

Sunset Park Garment Contractors and Manufacturers 2012



Sunset Park Garment Factory

“The Gateway to Sunset Park”

SUNSET YARDS

OVERVIEW

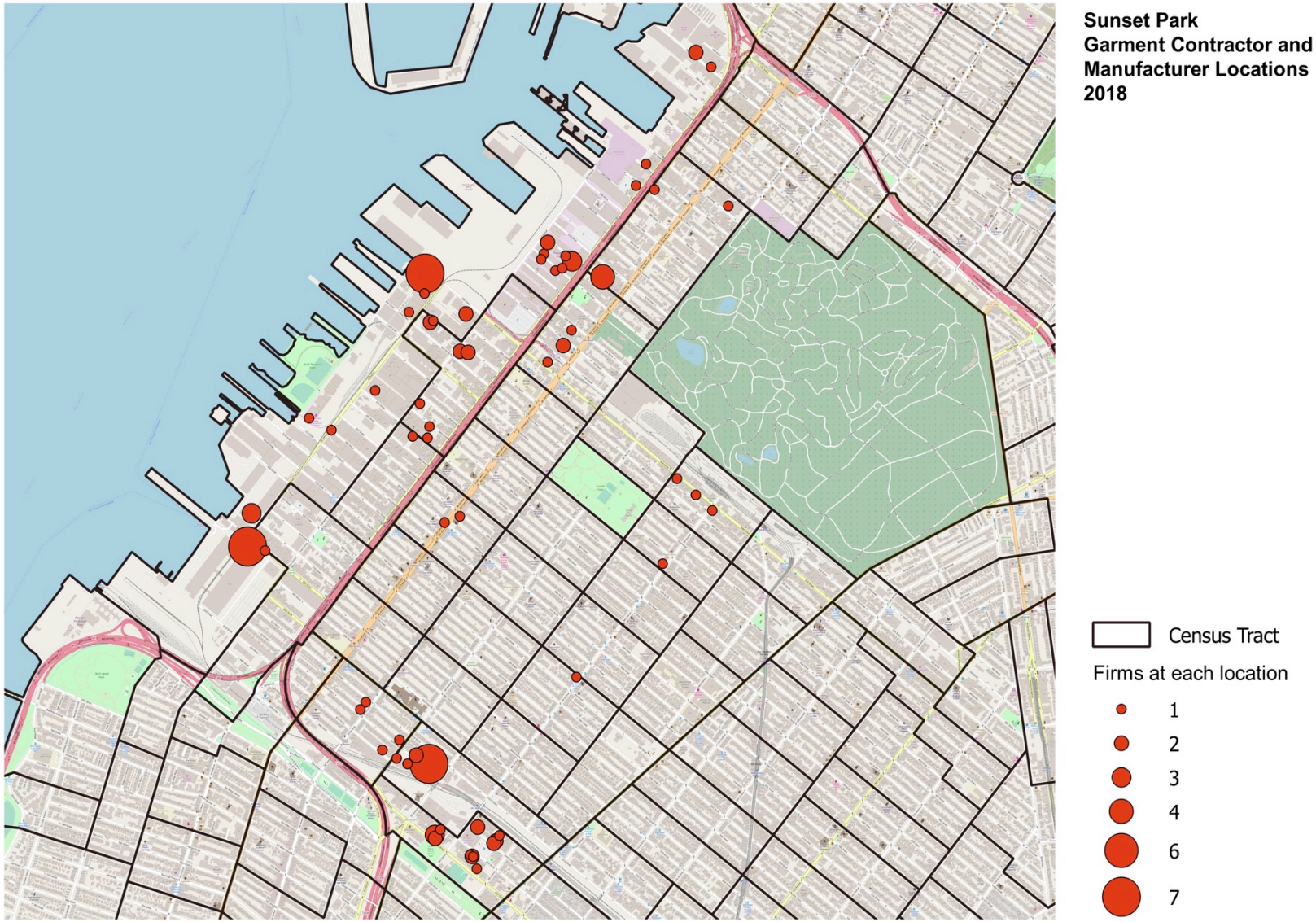
SUNSET YARDS

**OPEN VIEWS.
FROM SUN UP TO SUNDOWN.**

Located at 341 39th Street, Sunset Yards is a modern commercial space in the historic waterfront neighborhood of Sunset Park, Brooklyn. Uniquely positioned between the subway and the expressway, and standing adjacent to open rail yards, the building enjoys 360 degrees of unobstructed views and sits around the corner from Industry City’s six million square feet of retail, workspace, and amenities.

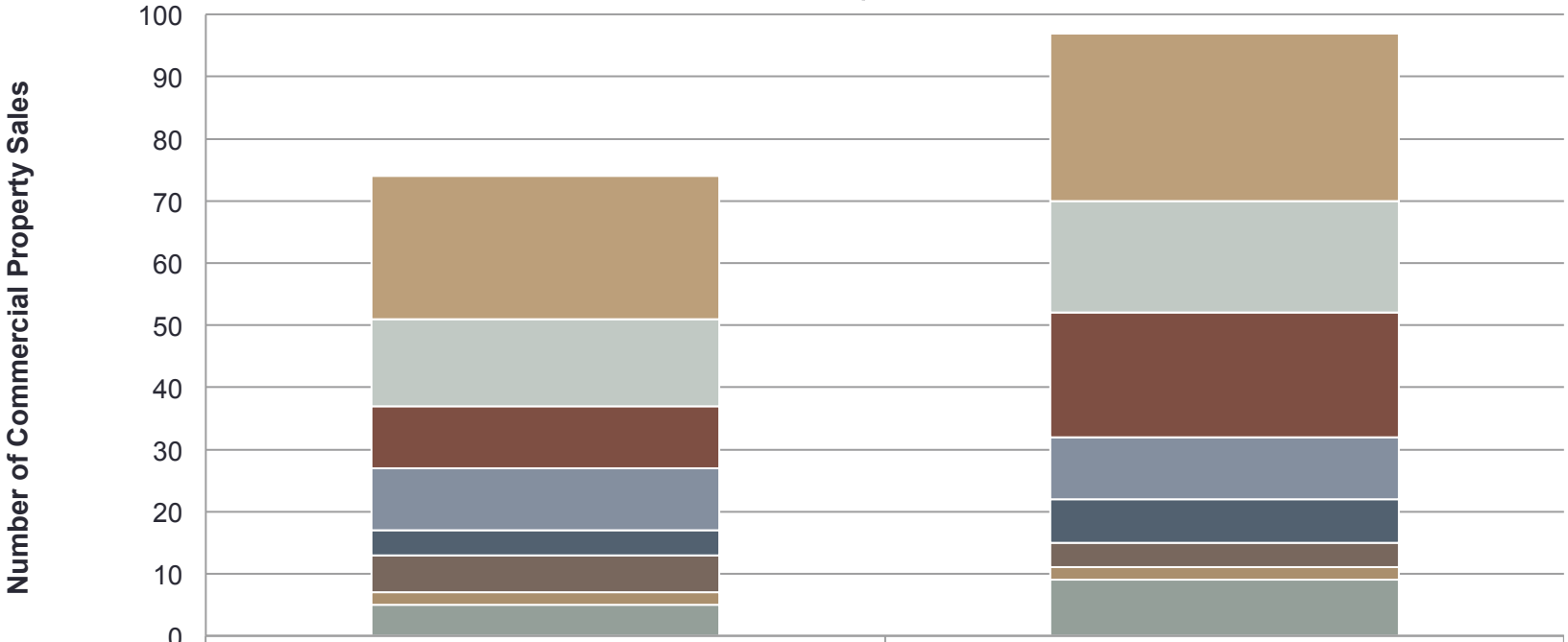
Itself a one-time garment factory and warehouse, Sunset Yards has undergone floor-to-ceiling renovations and is outfitted with modern industrial-style finishes and state-of-the-art infrastructure. New windows offer plentiful light and views of Brooklyn, New York Harbor, the Statue of Liberty, and the Manhattan skyline.

Sunset Park Garment Contractors and Manufacturers 2018



62nd Street between 7th and 8th Avenues

Pre and Post Jamestown Properties Acquisition of Industry City
Commercial Property Sales in Sunset Park, January 2011 - December 2015
Data Source: NYC Department of Finance



	January 2011 - August 15, 2013	August 16, 2013 - December 2015
Warehouses	23	27
Factories	14	18
Commercial Garages	10	20
Store Buildings	10	10
Office Buildings	4	7
Commercial Vacant Land	6	4
Loft Buildings	2	2
Other	5	9

Sunset Park Commercial Property Sales Volume and Prices, 2011-2015
Pre and Post Jamestown Properties Acquisition of Industry City

	Pre Jamestown Properties January 2011-August 15, 2013	Post Jamestown Properties August 16, 2013-December 2015	*Post Jamestown Properties August 16, 2013-December 2015
Total Sales Volume	74	97	95
Total Sales (2015 dollars)	$204,683,973	$531,135,113	$355,415,146
Average Sales Price (2015 dollars)	**$2,766,000**	**$5,475,620**	**$3,741,212**

*Sales of Brooklyn Whale Building and Sunset Industrial Park Excluded

Data Source: New York City Department of Finance

"GET READY SUNSET PARK, 'BROOKLYN' IS COMING": THE REAL ESTATE IMPERATIVES OF AN INNOVATION ECOSYSTEM

July 11, 2017 | Tarry Hum

INTRODUCTION

Brooklyn is the symbolic capital of New York City's maker movement comprised of artisans and artists, designers, craftsmen, builders, innovators, and inventors. The adaptive reuse of the borough's extensive industrial waterfront is integral to an innovation economy that derives social and economic value from place-based global branding. A 2015 "Make it in Brooklyn Innovation Summit" gathered commercial real estate giants such as Bruce Ratner and Jed Walentas for a day-long conference, which included a discussion of the borough's next frontier neighborhood. This prompted a Politico reporter to title her article, "Get Ready Sunset Park, 'Brooklyn' is Coming".

The urban entrepreneurialism embodied by the maker movement extends to commercial real estate. As noted by the *Commercial Observer* (an online news journal serving the industry's "most powerful players"): This marriage of underutilized Brooklyn warehouses and technology companies is particularly well-suited. Many of these cavernous spaces are raw, making them easily adaptable to accommodate exponential growth. The space is authentically (and fashionably) industrial and the stock sits on waterways or rail lines once used to transport the goods manufactured within their walls, making them easily accessible.

Along the waterfront of Brooklyn's Sunset Park neighborhood, a massive privately-owned complex known as Industry City – comprised of 16 factory loft buildings of 6-12 stories with 6.5 million square feet of floor space – is being positioned as one of the nation's largest innovation hubs. The Brookings Institution has produced numerous studies on the types of industry sectors that make up an innovation economy and its spatial geography, which favors the clustering of advanced manufacturing, research and development, and engineering and design firms in an urban, mixed-use office and retail campus-like environment. The investors behind Industry City's vision for its innovation economy ecosystem are centered on art and design, film and TV, retail, fashion, technology, and specialty food sectors.

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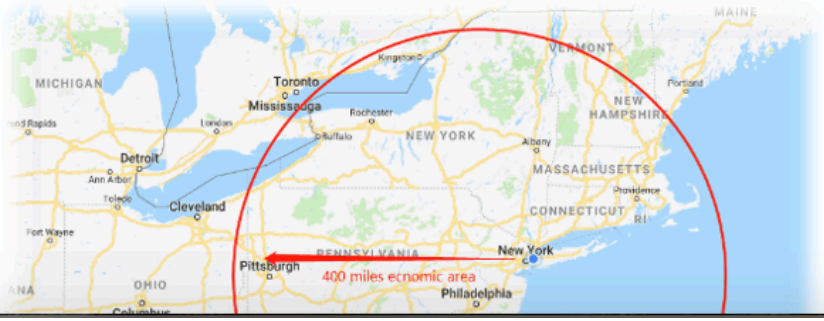
WHAT'S WRONG WITH THE NEW LOCALISM: A RESPONSE TO

Barhems Mall

Barhems Mall in Brooklyn is an elaborate business project invested by Barhems Corporation. Barhems Corporation plans to raise $55 million dollars to build an area of 1.5 million square feet integrated home service shopping mall which includes building materials, furniture, decorations, household appliances and household commodities.



Development Finan
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Trump's Opportunity Zones

- Trump's 2017 Tax Cuts and Jobs Act [the largest one-time reduction in the corporate tax rate in U.S. history from 35 percent down to 21 percent as well as lowers taxes for wealthy individuals] created Opportunity Zones.

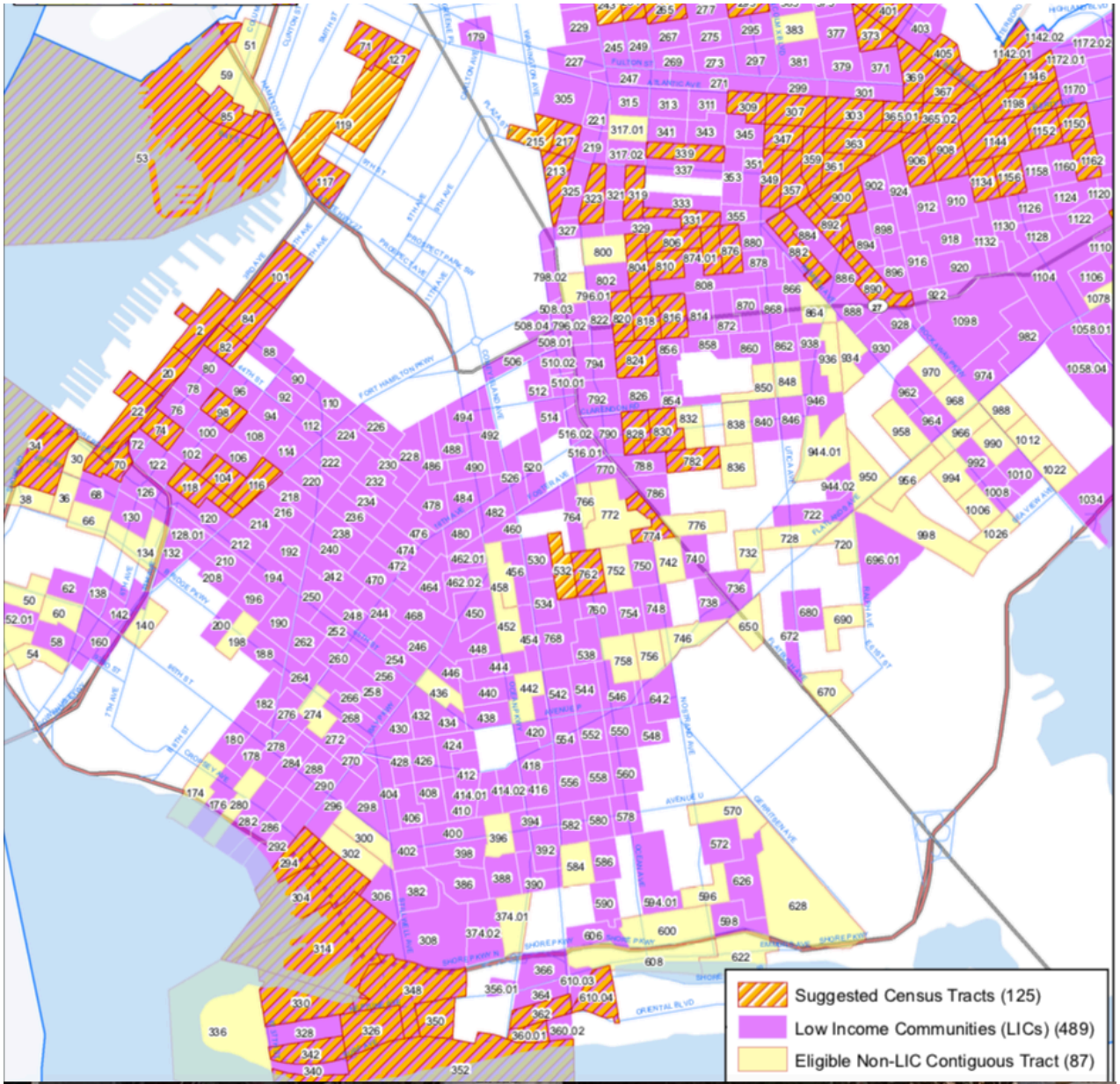
- Opportunity Zones are defined as economically distressed census tracts – poverty rate > 20% and median family income < 80% AMI.

- New investments in Opportunity Zone Funds for property development are eligible for preferential tax treatments (e.g., deferred capital gains).

Opportunity Zones in New York City

- 514 census tracts were selected statewide in New York for designation as Opportunity Zones.
- 306 census tracts (60%) were selected in the five boroughs.
- 125 census tracts (40% of NYC's Opportunity Zones) are in Brooklyn largely concentrated in the "key areas" of Sunset Park and the Brooklyn Navy Yard.

Brooklyn Federal Opportunity Zones



Thank you

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UPROSE

Protect Our Working Waterfront Alliance (P.O.W.W.A)

Protect 8th Avenue Coalition

Sunset Park for a Liberated Future