NYC Jobs at Risk as Result of Lack of Affordable Office Space

- **NYC’s regional position in decline**
  - Over past three decades, NYC’s share of regional employment dropped by 10%, or over 400,000 jobs
  - During the 1990’s boom, expanding corporations were unable to find affordable, ready-to-go space in Manhattan
  - From 1995 to 2000, rent for Class A space in Manhattan increased by 100%, vacancy dropped 80%, but inventory increased only 2%

- **NYC impacted by New Jersey’s growth**
  - In the 1990s, NJ created over 12 million square feet of inexpensive and adequately-sized Class A space, enough space for 50,000 workers
  - Opportunity cost to NYC of 50,000 jobs is equivalent to $150 million in 2003 dollars
  - In 2000 alone, 32 NYC companies relocated to the state of NJ, taking approximately 9,000 jobs
  - Throughout the 1990s, NYC companies moved 21,000 jobs to NJ

- **Despite current economic conditions...**
  - Demand for NYC office space is expected to exceed supply
  - Demand for low-cost, ready-to-go options – particularly large floorplates necessary for back-office functions – is expected to stay strong

Sources: US Department of Labor, Cushman-Wakefield, NJ Dept of Economic Development
NYC Strategy
For Economic Development

- **Key Growth Areas**
  - Hudson Yards
  - Long Island City
  - Lower Manhattan
  - DOWNTOWN BROOKLYN
    - Affordable option for financial businesses
    - Competitive alternative to New Jersey

- **Downtown Brooklyn Strategy**
  - Focus on back-office functions and firms seeking to disperse operations
  - Preserve and grow jobs and tax revenues
  - Offer Class A space without Class A rents
  - Create vibrant urban environment
  - Tap into advantage of close proximity to Manhattan
Downtown Brooklyn

Existing Assets to Build Upon

- **Office Space** 11 million sf total office space in core area, including 6 million sf Class A space with 0.2% vacancy
- **Corporate Tenants** Critical mass of Class A tenants
- **Employment** 70,000 workers in Downtown Brooklyn, many at operations centers for financial services companies
- **Academic Institutions** Seven institutions with over 32,000 students
- **Housing** Exceptional housing stock in surrounding brownstone neighborhoods and 500 units in the core area with 1,200 residents
- **Cultural Resources** 300,000 sf of cultural space drawing millions of visitors annually
- **Transit** Comprehensive transportation network
Corporate Tenants
- J.P. Morgan Chase
- Verizon
- Securities Industry Automation Corporation (SIAC)
- KeySpan Corporation
- Morgan Stanley Dean Witter
- Empire Blue Cross Blue Shield (WellChoice Inc.)
- NY Marriott Brooklyn
- Bank Of New York
- Bear Stearns
- Goldman Sachs
- HSBC
- Independence Community Bank
- Con Edison

Academic Institutions
- Long Island University
- Polytechnic University
- New York City College of Technology
- Brooklyn Law School
- St. Joseph’s College
- St. Francis College
- Pratt Institute

Cultural Institutions
- Brooklyn Museum of Art
- Brooklyn Botanic Garden
- Prospect Park
- New York City Transit Museum
- Brooklyn Academy of Music
- Mark Morris Dance Center
- St. Ann’s Warehouse
- Bargemusic
- Gale Gates Et Al.
- The Rotunda Gallery
- Brooklyn Public Library
- Brooklyn Historical Society
Important Initiatives Already Underway...

- Brooklyn Bridge Park
- DUMBO
- Polytechnic
- Brooklyn Law
- MetroTech
- Ingersoll Community Ctr.
- BAM Cultural District
- Atlantic Terminal
The Vision

- Economic center of America’s 4th largest city
- Strong and diverse commercial & retail environment
- Residential communities integrated in Downtown
- Premier cultural and educational destination
- Vibrant public environment served by enhanced transit network

Downtown Brooklyn
Public Investment

- Zoning & Development
- Public space
- Parking

- Transit
- Retail
- Streetscape
- Cultural Resources
Zoning Changes

- Increase density for commercial, residential & academic expansion
- Promote a vibrant mix of uses
- Strengthen connections with surrounding neighborhoods
- Encourage attractive building forms of appropriate scale
Downtown Brooklyn

Plan Highlights

Legend:
- Commercial Development Sites
  - Projected Commercial Development
  - Potential Commercial Development (need additional discretionary action)
  - Projected Residential Development
  - Potential Residential Development
  - Projected and Potential Residential Conversion
  - Projected Cultural Development

Maps and illustrations showing the development highlights in Downtown Brooklyn.
Benefits

For NYC
- Implement key part of economic development strategy
- Retain and grow at-risk office jobs
- Preserve and generate tax revenues
- Address need for affordable office products
- Assist firms seeking to disperse functions

For Brooklyn
- 4.5 million sf of new Class A office space with 700,000 sf of associated retail
- 18,500 office jobs located in Brooklyn and 8,000 construction jobs generated by new development
- 1,000 new housing units with 200,000 sf of associated retail
- New cultural resources including library & performance space
- Growth of academic institutions
- New public spaces totaling 60,000 sf