10 YRS

2004 — 2014

DWN TWN BRK LYN

DownTownBrooklyn.com
@DowntownBklyn

1 **June 2004**
City Council adopts the Downtown Brooklyn Plan

2 **July 2004**
Ribbon cutting for new Bank of New York building at Atlantic Terminal

3 **July 2005**
12 MetroTech Center opens

4 **September 2006**
Brooklyn Book Festival launches at Borough Hall

5 **September 2006**
Marriott Hotel expansion completed

6 **January 2008**
One Hanson Place opens

7 **January 2008**
Construction begins at Brooklyn Bridge Park

8 **July 2008**
TKTS Booth opens at MetroTech Center

9 **July 2008**
NU Hotel opens

10 **October 2008**
Oro Condominium opens

11 **October 2009**
Avalon Fort Greene opens

12 **December 2009**
Toren Condominium opens

13 **January 2010**
The Brooklyner opens

14 **March 2010**
Brooklyn Bridge Park's Pier 1 opens

15 **May 2010**
Sheraton Brooklyn opens

16 **January 2011**
Issue Project Room opens new home at 110 Livingston Street

17 **June 2011**
East River Ferry Service launches

18 **June 2011**
Public plaza at Albee Square opens

19 **August 2011**
Plans announced to transform Brooklyn Municipal Building into retail destination

20 **September 2011**
Roulette opens new home on Third Avenue

21 **October 2011**
Actors Fund Arts Center opens on Schermerhorn Street

22 **June 2011**
aLoft Brooklyn opens

23 **May 2012**
Century 21 announced as first anchor tenant at City Point

24 **September 2012**
Barclays Center opens

25 **December 2012**
MakerBot opens new office in MetroTech Center

26 **December 2012**
Brooklyn Bridge Park's Pier 5 opens

27 **June 2012**
BAM Fisher opens

28 **January 2013**
Brooklyn Cultural District named one of America's Top ArtPlaces

29 **January 2013**
Willoughby Plaza opens

30 **February 2013**
DowntownBrooklyn.com launches

31 **April 2013**
NYU Center for Urban Science and Progress opens

32 **June 2013**
Brooklyn Tech Triangle Strategic Plan released

33 **July 2013**
Deal is reached to develop Willoughby Square Park

34 **September 2013**
Hotel Indigo opens

35 **October 2013**
BRIC Arts | Media House and new home for UrbanGlass open in Brooklyn Cultural District

36 **October 2013**
Theatre for a New Audience opens the Polonsky Shakespeare Center

37 **October 2013**
President Obama visits Junior's

38 **November 2013**
Tough Mudder opens office in MetroTech Center

39 **January 2014**
Merger completed between Polytechnic Institute and New York University to form NYU Polytechnic School of Engineering

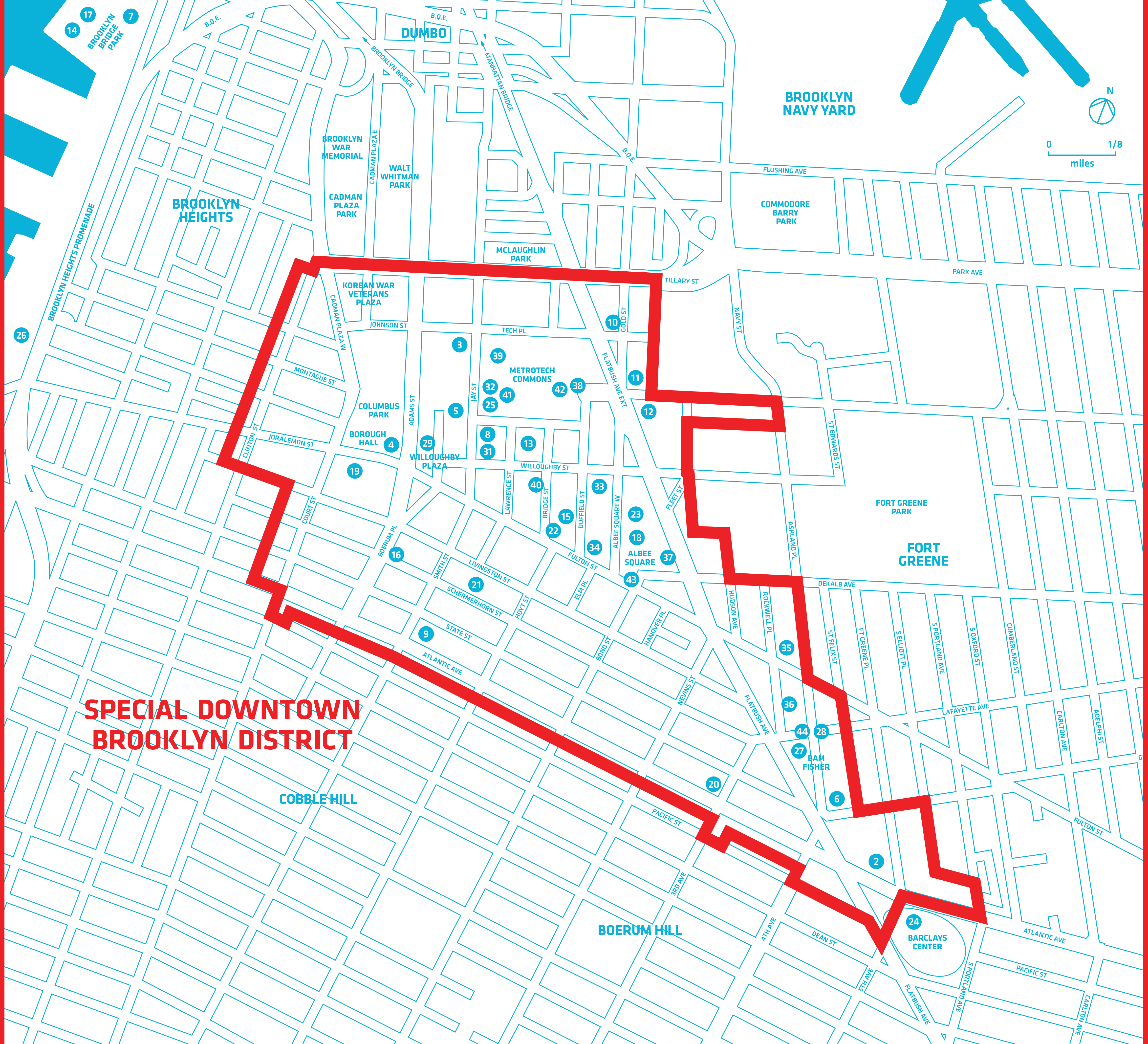
40 **January 2014**
388 Bridge Street opens

41 **February 2014**
New Co-Chairs announced for Downtown Brooklyn Partnership Board of Directors

42 **March 2014**
Urban Future Lab incubator opens in MetroTech Center

43 **April 2014**
Downtown Brooklyn Public WiFi network launches

44 **June 2014**
Public Design Commission approves streetscape design for Brooklyn Cultural District



A DECADE OF GROWTH

In its own right, Brooklyn is a City of 2.6 million residents. If our proud County of Kings were an independent metropolis, Brooklyn would rank as the fourth most populous city in the US, behind only the other boroughs of New York combined, Los Angeles, and Chicago.

Downtown Brooklyn is the central business district of this borough's thriving conurbation. It has been a magnet for commerce for centuries, since the early 19th century when the "Road to Jamaica" led pedestrians inland from the landing where Robert Fulton's steamships ferried passengers back and forth between Brooklyn and Manhattan.

Recognizing the abundant potential for Downtown Brooklyn in the City's modern economy, City leaders came together in 2001 to champion the Group of 35 report that called for the development of Downtown into a thriving commercial office hub that would "include residential, academic, retail, and open space development, which will help link the commercial core with surrounding residential communities, the technology district in DUMBO, Brooklyn Bridge Park, [and the Cultural District]."

Today, much of this vision has been realized, thanks in large part to a rezoning of Downtown Brooklyn in 2004 intended to facilitate growth and nearly $400 million dollars of public investment in infrastructure like roads, parks, cultural venues, and public spaces. As a result, over $4 billion dollars of private investment has been attracted to the area since 2004 leading to the creation of over 8 million square feet of new space, including 5,200 residential units, more than 1,000 new hotel rooms, almost a quarter million square feet of office space, and 625,000 square feet of retail—a staggering return on public investment.

While the market responded differently than was originally anticipated, focused more on residential development than commercial due in part to a citywide housing crisis, today Downtown Brooklyn boasts a 24/7 community home to jobs and students, retail and entertainment destinations, all in line with the thriving central business district public policy makers envisioned.

But the work is not complete. Today, the vacancy rate of Downtown Brooklyn's 17 million square feet of commercial office space is close to 4%.[1] Businesses are literally running out of space to expand, a trend that should spur the office market to develop new product. Residential and retail growth will continue, as more and more New Yorkers enjoy all that Downtown Brooklyn has to offer. Cultural, entertainment, and hospitality options will flourish as patrons and shoppers flock to the area's latest attractions and historic destinations. Finally, the newest generation of Brooklynites will come to Downtown Brooklyn to attend school, joining a community of 11 colleges and 60,000 students that are educated here every year.

What follows is a snapshot of the unprecedented growth that has occurred in Downtown Brooklyn over the last decade. It is a story of visionary public policy, championed by a myriad of public and private leaders that have left an indelible mark on the growth of the area. And a story that offers insight into how targeted public investment can yield a leveraged public return of a magnitude hard to imagine, even just ten years ago.

1 Newmark Grubb Knight Frank

Downtown Brooklyn Partnership (DBP) is a not-for-profit local development corporation that serves as the primary champion for Downtown Brooklyn as a world-class business, cultural, educational, residential, and retail destination.

Working together with the three business improvement districts (BID) that it manages—the MetroTech BID, Fulton Mall Improvement Association, and Court-Livingston-Schermerhorn BID—the Partnership's diverse activities include attracting new businesses and improving the environment for existing companies; facilitating the construction of public spaces and streetscapes that promote an active and cohesive community; supporting and promoting Downtown Brooklyn's cultural assets; and encouraging a unified sense of place and an engaged civic community.

PUBLIC INFRASTRUCTURE

2004

Total Park Acreage[2]

67.61

PAST Downtown Brooklyn has always been one of New York City's best connected transit hubs. Home to 13 subway lines, 15 bus lines, and the Long Island Railroad, the area's rich transportation infrastructure inspired many of the zoning changes adopted in 2004. However, the area lacked adequate open space and modern streetscapes to help mitigate the congestion associated with existing conditions, let alone increased development. Critical connections to surrounding residential neighborhoods were challenged and Downtown was disconnected from a virtually inaccessible waterfront.

2014

Total Park Acreage[3]

90

Planned

110

PRESENT Since 2004, the City of New York has invested substantially in public infrastructure here, including new streetscapes and plazas improving pedestrian safety and public enjoyment of areas like the Fulton Mall, Albee Square, and Willoughby Plaza, as well as a once-in-a-generation investment in creating a world-class waterfront attraction in Brooklyn Bridge Park. Job growth in revitalized commercial districts in the greater Downtown Brooklyn area, such as DUMBO and the Brooklyn Navy Yard, have inspired additional traditional transportation investments like the extension of the B67 bus line that offers a seamless bus connection in the Brooklyn Tech Triangle.

FUTURE Additional infrastructure development is underway in areas like the revamped public plaza at Fox Square, and an acre-wide marquee green space at Willoughby Square Park. We will continue to advocate for pedestrian safety improvements along Flatbush Avenue from DeKalb Avenue to Barclays Center and help the important North-South corridor of Jay Street become bike and pedestrian friendly to connect Downtown to new commercial development in DUMBO Heights. And perhaps most exciting, we will work to connect Brooklyn Bridge Park to Downtown Brooklyn through the development of the Brooklyn Strand—the 21-acre series of disconnected parks, plazas, and greenways beginning at Borough Hall and stretching north to Brooklyn Bridge Park—that has the potential to become the central commons of the Tech Triangle and a grand gateway to the borough.

2, 3 NYC Department of Parks

OFFICE

2004

Vacancy Rate[4]

10%

Number of Business Establishments[6]

2,148

2001

2014

Vacancy Rate[5]

4.1%

Number of Business Establishments[7]

2,690

2011

PAST When MetroTech Center opened in 1990, it created an anchor for the Brooklyn office market and brought Downtown's total office inventory to more than 15 million square feet and soon became home to local utility giant Brooklyn Union & Gas, and other original tenants like JPMorgan Chase, New York City Fire Department, Empire Blue Cross Blue Shield, Bear Stearns, and Polytechnic School of Engineering. The office towers on Court Street were also home to predominantly government tenants and law firms that frequented area courthouses. Recognizing a preponderance of largely back office operations for the FIRE industries and government, planners posited that Downtown Brooklyn had the potential to become an office hub to rival commercial destinations on the New Jersey waterfront, and initiated a rezoning to help spur new office development that would allow for housing as well to support the City's growing workforce.

PRESENT The Downtown Brooklyn office market has grown to 17 million square feet and benefits from a thriving economy with mix of tenant types that still includes government and finance, but also new corporate headquarters for recently founded and growing local firms like Tough Mudder, MakerBot, Uniworld Advertising, and the Brooklyn Nets. As of Q1 2014, the commercial office vacancy rate is 4.1%,[8] less than nearly all of Manhattan and down from close to 8% in 2012. Despite the lower than anticipated growth in overall commercial square footage, Downtown Brooklyn still experienced a 24% increase in jobs from 2001 to 2011 and a 25% increase in number of companies.[9] More recently the greater Downtown Brooklyn area has emerged as the heart of an innovation economy ecosystem known as the Brooklyn Tech Triangle, which is home to more than 500 tech and innovation firms. These relatively recent additions to the Downtown Brooklyn office market occupy approximately 1.7 million square feet of office space, provide approximately 10,000 tech jobs, and collectively have a $3.1 billion impact on Brooklyn's economy.[10]

FUTURE Businesses that create a physical, digital, or engineered product in the Brooklyn Tech Triangle are expected to grow to support nearly 20,000 direct jobs and occupy nearly 4 million square feet of office space over the next few years. Nurturing this growth requires the development of adequate office space to satisfy their unmet demand. Unless office space is created to address this need, Brooklyn risks losing jobs to other cities. Working with property owners and local government, we hope to activate underutilized commercial space and incentivize the market to undertake new, ground-up, commercial office developments.

4 CBRE
5 Newmark Grubb Knight Frank
6 County Business Patterns, 2001
7 County Business Patterns, 2011
8 Newmark Grubb Knight Frank
9 County Business Patterns, 2011
10 Brooklyn Tech Triangle Strategic Plan, Spring 2013

RESIDENTIAL

2004

0

Affordable Units[11]

Residential Units[12]

2,350

PAST Until the rezoning in 2004, the vast majority of buildings in Downtown Brooklyn were dedicated to commercial use. Downtown's commercial core served as home to approximately 430 units, while the four census tracts that would eventually comprise the Downtown Brooklyn rezoning area included 2,350 units[13] and no affordable housing units.[14] Between 2000 and 2010, some census tracts in Community Board 2 saw their residential population double, and even triple.

2014

420

Affordable Units[15]

Residential Units[16]

7,323

PRESENT Today, there are more than 7,300 housing units in Downtown Brooklyn, with an additional 4,600 units in construction. There has been a significant increase in the amount of affordable housing in the area. While there were zero affordable housing units prior to 2004, to date, 420 units have been built, with an additional 863 in construction.[17]

FUTURE Additional housing is on the horizon, with nearly 7,800 units in the development pipeline,[18] 2,525 of them affordable. To help ensure local residents have access to affordable housing, DBP is working with local developers, government officials, and community-based groups to help up to 1,000 local families compete in housing lotteries for the affordable units in development. Still more housing is needed to meet the borough's growth projections. Downtown Brooklyn's unique assets, such as exceptional transit infrastructure and a strong, diverse economy, make the area a desirable location for additional buildings.

11 Downtown Brooklyn Partnership
12, 13 2000 Census
14, 15, 16, 17, 18 Downtown Brooklyn Partnership

RESTAURANT + RETAIL

PAST Downtown Brooklyn historically served as the preferred shopping destination for Brooklynites for centuries. Reflecting the growth of the retail sector here, between 2001 and 2011, retailers increased their workforce from 4,907 to 6,484.[19]

2001

Food and Beverage Revenue[20]

$17,465,379

$54,386,697[21]

2011

PRESENT Vibrant retail corridors like the Fulton Mall, Livingston Street, and Court Street are home to a diverse mix of attractions and destinations. The area has witnessed a remarkable 211% increase in Food and Beverage Sales from 2001 to 2011,[22] driven by the opening of new restaurants like Hill Country Barbecue Market, Hill Country Chicken, Shake Shack, Ganso, and soon, Rocco's Tacos. Other retail revenue has seen a drastic 57% increase to $682 million over the same period,[23] thanks to a mix of businesses reflecting the diverse taste of Brooklynites. Small businesses, local, and national chains that have opened in the area over the last decade include Brooklyn USA, Jimmy Jazz, Cookie's Kids, Sephora, H&M, Banana Republic Outlet, US Polo Association, TJ Maxx, Nordstrom Rack, and Neiman Marcus Last Call Studio.

FUTURE Strong market fundamentals offer tremendous retail opportunities going forward, as shown by the local food and beverage "buying power," which has increased 170% since 2002.[24] Once complete, City Point will provide an additional 675,000 square feet of retail space to include CityTarget and Alamo Drafthouse (a movie theater that serves beer!), but a new wave of residential construction expected to bring more than 8,000 new residents to the area over the next two years and a growing population of college students demonstrate the need for additional retail destinations. In our annual community survey, for instance, 59% of respondents stated they would spend more time visiting stores and restaurants in Downtown Brooklyn if the retail and restaurant scene were improved. The community is interested in seeing more versatile and higher quality retail, specifically more restaurants, that also stay open later.

19 County Business Patterns, 2001, 2011
20 County Business Patterns, 2001
NYS Department of Labor,
NYS Department of Taxation and Finance
21 County Business Patterns, 2011
22, 23, 24 County Business Patterns, 2001, 2011

COLLEGES

2014

Total college students[27]

60,632

2004

Total college students[25]

51,873

PAST Prior to the rezoning the greater Downtown Brooklyn area was home to 10 Institutions of higher learning, with more than 50,000 college students, and approximately 1,700 faculty.[26]

PRESENT Downtown Brooklyn is now home to 11 institutions with more than 2,300 faculty and 60,000 students—more than America's quintessential college town of Cambridge, Massachusetts.[28] This huge growth is not the result of one additional institution moving to the area; instead it is the result of local institutions like Brooklyn Law School, Long Island University, and St. Francis College intentionally growing their local presence. New York University's emergence on the scene over the last decade through a merger with long-time Downtown asset Polytechnic University to create the NYU Polytechnic School of Engineering, and their newly launched Center for Urban Science and Progress (CUSP), also demonstrates NYU's commitment to the neighborhood. This concentration of academic institutions, coupled with Downtown Brooklyn's unique position among an agglomeration of tech and innovation firms, is driving partnerships between colleges and private industry, where local companies are increasingly looking to fill open positions with local students.

FUTURE The future of academic growth in Downtown Brooklyn is bright. NYC College of Technology recently broke ground on a new building at Jay and Tillary Streets, which will open in 2017 with lab and classroom space, a health clinic, auditorium, and gym. NYU has already announced plans to convert 370 Jay Street as a new home for CUSP, and recently opened their Media and Games Network and a clean tech incubator, Urban Future Lab, in MetroTech. As these institutions continue to expand, they may also look to opportunities for shared facilities and residential hall development. In a survey conducted in 2012, area colleges projected the need for 1,300 new beds over the next 10 years, as well as a desire to create shared recreational facilities, event spaces, and tech-equipped classrooms.[29]

25, 26, 27, 28, 29 Downtown Brooklyn Partnership

TOURISM + CULTURE

2001

Total arts sales[30]

8,714,532

PAST Downtown Brooklyn has always been a destination for tourism and culture. At the turn of the century, the area was home to several vaudeville theatres and some of New York City's most luxurious hotels. But in 2004, the neighborhood's only full service hotel was the New York Marriott at the Brooklyn Bridge with 386 keys.[31] Meanwhile, a strong mix of cultural destinations enjoyed a mostly local attendance, with spending at arts venues limited to taxable revenue of just $8.7 million annually.[32]

Total arts sales[33]

2011

21,754,718

PRESENT Thanks to a significant increase in hospitality-related investment, Downtown Brooklyn is now home to 6 hotels and approximately 1,500 keys.[34] The combined investment of these projects is close to $181 million. Additionally, $121 million is being invested in three new hotels currently under construction that will bring nearly 600 rooms to Downtown Brooklyn. With the arrival of Barclays Center in 2012, now the #1 concert venue in the country by ticket sales; new homes for Theatre for a New Audience, BRIC Arts | Media, and UrbanGlass, joining longtime stalwarts, BAM, Mark Morris Dance Group, and MoCADA; Downtown Brooklyn has become the cultural heart of an already artistically dense and diverse borough. In 2011, taxable revenue at arts organizations reached $21.7 million, up 150% from 2001.

FUTURE The Brooklyn Cultural District is emerging as a vibrant and premier cultural destination within the international community. In addition to the numerous arts organizations calling the area home, new residential development will bring close to 1,000 new units to Downtown Brooklyn. In addition, these developments will bring online more than 150,000 square feet of public space that will be available to visitors, workers, and residents alike. These parks and plazas will be programmed to reflect the diverse cultural nature and history of the surrounding community. Further, three hotel projects are in the pipeline, which will bring Downtown Brooklyn's hotel room count close to 2,000 rooms. While all these new projects are in close proximity to each other, a unique streetscape design has been approved to stitch together the seemingly disparate groups to form a more unified sense of place, befitting of a world-class cultural destination.

30 Sales Tax Basis, County Business Patterns, 2001
31 New York Marriott at the Brooklyn Bridge
32 County Business Patterns, 2001
33 Sales Tax Basis, County Business Patterns, 2011
34 Downtown Brooklyn Partnership