



Midtown Equities, Rockwood, and HK to redevelop Empire Stores; Long-term lease with St. Ann's Warehouse to develop a theater

September 23, 2013 - Front Section

According to mayor Bloomberg, the Brooklyn Bridge Park Board of Directors has selected Midtown Equities, in partnership with Rockwood Capital and HK Organization, to redevelop Empire Stores, vacant warehouse buildings in DUMBO. The adaptive reuse plans call for commercial uses including restaurant, event, retail and office space. This development selection marks another major milestone for the park's long-term financial model with an additional source of revenue to be directed to the park's maintenance and operations. In addition, the board also approved a long-term lease with St. Ann's Warehouse to develop a theater in the historic Tobacco Warehouse. The development will include performance space, administrative offices, multi-use community space that will be permitted by Brooklyn Bridge Park and outdoor public space that will be managed and maintained by Brooklyn Bridge Park. The announcement also highlights the completion of a federal process that will allow for the addition of new parkland at Main Street in Dumbo.

"All across the waterfront, we are reclaiming and renewing areas that have long been abandoned or neglected, and Empire Stores and the Tobacco Warehouse are the latest examples of that work," said Mayor Bloomberg. "These redevelopment plans will bring even more new life and excitement to the DUMBO waterfront at Brooklyn Bridge Park, giving residents and visitors more places to work, shop, dine, and experience the arts. The expansion and success of the park is due in large part to our partnerships with New York State Parks and the National Park Service, and we are grateful for their help."

"Much like the recently announced John Street development deal, these plans represent yet another critical step toward securing the long-term financial stability of Brooklyn Bridge Park," said Deputy Mayor for Economic Development and Brooklyn Bridge Park Corporation Chairman Robert K. Steel. "This investment will ensure additional office, retail and cultural space that will strengthen this public-private partnership while adding additional park amenities that will promote healthy economic development in Dumbo, an already burgeoning arts and technology hub."

"Brooklyn Bridge Park is a prime example of our city's commitment to sustainable design and development," said Parks and Recreation Commissioner Veronica M. White. "The transformation of these formerly vacant stores will open up usable space for the community, and help to ensure that the park will continue to be well maintained for years to come."

"This is an historic moment for Brooklyn Bridge Park," said Regina Myer, President of Brooklyn Bridge Park. "In addition to securing the park's financial stability, these long vacant warehouses allow us to recognize the important part our park plays in the history of the Brooklyn waterfront. We are also thrilled to be moving forward on re-energizing the Tobacco Warehouse and integrating even more new parkland into the northern portion of the park."

"The development of Empire Stores and the Tobacco Warehouse will be a boon to Brooklyn Bridge Park and the larger DUMBO community, creating a new 'it' space and showcasing some of the best that Brooklyn has to offer locals and out-of-towners alike," said Brooklyn Borough President Marty Markowitz. "I hope this project will result in much-needed commercial space for Brooklyn's growing creative economy. I am further pleased to see that St. Ann's Warehouse, which I have long been investment proud to support, will benefit from this agreement with a quality performance space for artists and arts-lovers alike. Truly this promises to help all of Brooklyn prosper and reinforce our borough's preeminence in the creative and technological arenas."

The Empire Stores are a complex of seven contiguous four- and five-story historic warehouses containing approximately 347,000 gross square feet. The warehouses, located in DUMBO, were built between 1869 and 1885 and primarily used for coffee storage until they were abandoned in the 1960s. The warehouses have been closed for over 50 years due to deteriorated buildings conditions. Redevelopment will reactivate the structure and allow for a mix of commercial, retail and office uses that complement that unique character of this industrial waterfront structure.

A team led by Midtown Equities will enter into a 96-year ground lease of the site. Their proposed building plan will feature nearly 80,000 square feet of restaurant, retail, and event space and 300,000 square feet of office space. Over the course of the lease term, the guaranteed payments from the development site are projected to result in \$60 million of net present value to help fund the maintenance and operations of the park. Midtown expects to achieve LEED Silver Certification and will work with Studio V Architecture throughout the development project. West Elm is expected to anchor the building by leasing both office and retail space. In addition, Midtown Equities is in talks with the Brooklyn Historical Society to include 3,200 square feet of exhibition space as part of the project to celebrate the rich cultural history of the borough. Construction is expected to begin in early 2014 with an expected completion of fall 2015.

"Speaking as a Brooklyn native who raised my family in the borough, it is an honor for my firm to be chosen for the redevelopment of the Empire Stores, the most desirable waterfront property in all of Brooklyn," said Joe Cayre, Chairman of Midtown Equities. "We have extensive experience in adaptive reuse projects and a considerable Brooklyn real estate portfolio, featuring close to one million square feet of development properties in the borough. It has been a great privilege working with the Office of the Mayor, the Brooklyn Bridge Park Development Corporation, and the Economic Development Corporation in a model of public and private partnership."

The board also approved a long-term lease with St. Ann's Warehouse for the adaptive reuse of the Tobacco Warehouse, highlighting the completion of a year-long federal process undertaken as part of a settlement with several community groups in June 2012. St. Ann's Warehouse was previously designated as the conditional leasee for the Tobacco Warehouse and recently launched a \$27 million capital campaign to activate the space, \$24.2 million of which has been committed. The St. Ann's Warehouse design, created with Marvel Architects PLLC, envisions an 18,000 square foot roofed building with a flexible performance space, a 1,000 square foot multi-use space to be permitted by BBP that will serve as a community room for artists, educational and civic groups, administrative offices and an expansive lobby with archways and access points to Brooklyn Bridge Park. The 7,600 square foot Triangle will be left roofless and is imagined as public gathering space and a garden, with a walled birch tree grove landscaped by Michael Van Valkenburgh Associates. This space will be managed and maintained by BBP.

"Having activated found spaces for cultural use in Brooklyn since we began in 1980, we are excited

to be able to do so once moreâ€”this time making a permanent home for the arts and community events in one of the city's most awe-inspiring locales," said St. Ann's Warehouse Founder and Artistic Director Susan Feldman. "We look forward to transforming the Tobacco Warehouse into a welcoming place where artists, audience members, city residents and visitors can gather all year long."

"We are thrilled about this opportunity to realize our longstanding dream to rebuild the Tobacco Warehouse as a home for St. Ann's Warehouse," said Joseph S. Steinberg, Chairman of the Board of Directors of St. Ann's Warehouse.

"St. Ann's Warehouse is one New York City's most exciting performing arts organizations dedicated to bringing cutting-edge work from all over the world to adventurous audiences," said Cultural Affairs Commissioner Levin. "We are delighted that with today's vote the Tobacco Warehouse will be an iconic home for the organization, artists and visitors. We also look forward to opening new exhibition space that will be an exciting new destination to learn about the borough's dynamic past, present and future."

The completion of the federal process also allows for the development of 0.86 acres of new parkland located in the northern portion of the park. The parkland, currently a DEP water meter testing site, parking lot and DOT paint shed, will act as replacements for the proposed conversion of the Tobacco Warehouse and Empire Stores. Designed by Michael Van Valkenburgh Associates and Architecture Research Office, the new parkland includes a mixture of passive and active recreation including 1,700 square feet of indoor educational space, public restrooms and park maintenance and operations space. The design features an expanded lawn, an improved entry and plaza at Washington Street, an improved dog run, outdoor community space and a bouldering wall.

Brooklyn Bridge Park Corporation, known as Brooklyn Bridge Park, is the not-for-profit entity responsible for the planning, construction, maintenance and operation of Brooklyn Bridge Park, an 85-acre sustainable waterfront park stretching 1.3 miles along Brooklyn's East River shoreline. The park was designed by the award-winning firm of Michael Van Valkenburgh Associates, Inc.

Midtown Equities is a privately held real estate investment and development company that is headquartered in New York. With a portfolio of more than 100 properties in the retail, office, residential, industrial and hospitality sectors, the firm actively acquires, develops and leases properties ranging from urban redevelopment projects to commercial centers. With a focus on prime retail properties, Midtown Equities maintains holdings in urban markets including New York, Washington D.C., Miami, Chicago and Los Angeles, as well as abroad.

St. Ann's Warehouse has commissioned, produced and presented an eclectic body of innovative theater and concert presentations that meet at the intersection of theater and rock and roll for over three decades. Since 2001, the organization has helped vitalize the emerging Brooklyn waterfront neighborhood, DUMBO, where St. Ann's Warehouse has become one of New York City's most important and compelling live performance destinations. After twelve years at 38 Water Street, St. Ann's has activated a new warehouse at 29 Jay, which is home while the organization designs and raises funds to adapt the Tobacco Warehouse into a thriving cultural center.

Through its signature multi-artist concerts and groundbreaking music/theater collaborations, St. Ann's Warehouse has become the artistic home for the American avant-garde, international companies of stature and award-winning emerging artists. Highly acclaimed landmark productions include Lou Reed's and John Cale's Songs for 'Drella; Marianne Faithfull's Seven Deadly Sins; Artistic Director Susan Feldman's Band in Berlin; Charlie Kaufman and the Coen Brothers' Theater

of the New Ear; The Royal Court Theater's 4:48 Psychosis; The Globe Theatre of London's Measure for Measure; Druid Company's The Walworth Farce, The New Electric Ballroom and Penelope; Enda Walsh's Misterman, featuring Cillian Murphy; Lou Reed's Berlin; the National Theater of Scotland's acclaimed Black Watch; Kneehigh Theatre's Brief Encounter and The Wild Bride; Yael Farber's Mies Julie; and Dmitry Krymov Lab's Opus No. 7. St. Ann's has championed such artists as The Wooster Group, Jeff Buckley, Cynthia Hopkins, Enda Walsh, Emma Rice, and Daniel Kitson. St. Ann's Warehouse has been awarded the Ross Wetzste on OBIE Award for the development of new work. The OBIE Award Committee honored St. Ann's for "inviting artists to treat their cavernous DUMBO space as both an inspiring laboratory and a sleek venue where its super-informed audience charges the atmosphere with hip vitality." ı» ğı» ğ

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540