



2021 ANNUAL REPORT

GMDC SUSTAINING
VIALE MANUFACTURING
IN URBAN AMERICA

The Greenpoint Manufacturing and Design Center creates and sustains viable manufacturing sectors in urban neighborhoods through planning, developing and managing real estate and offering other related services.

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MESSAGE FROM THE CEO

Now-Governor Kathy Hochul and New York City Council Speaker Adrienne E. Adams with GMDC CEO Brian T. Coleman at the January 2020 Grand Opening of GMDC's Ozone Park project.

It's been a very interesting few years at GMDC. In early 2020 we happily marked the opening of our project in Ozone Park, Queens — a \$41 million gut rehabilitation of an 85,000-square-foot complex, covering an entire city block. Shortly after celebrating the opening of the building in January 2020, the world shut down due to the pandemic. With only a handful of tenants occupying the building and an equal number of prospective tenants with unsigned leases — which would never be signed — uncertainty ruled the day at GMDC as we entered uncharted territory.

At GMDC's other buildings, almost all our tenants were forced to shut down. Having long said that GMDC is only as strong as our tenants, we were unsure how we would fare not knowing if our tenants could stay afloat. Though we knew at that time our tenants had never been better capitalized and more business savvy, the unprecedented situation forced us to plan for the worst possible financial scenarios, not knowing how long the tenants could pay rent or even stay in business.

Fortunately, through their own financial acumen and with many PPP loans, almost all of them managed to hang on and slowly come back to work. Unlike other real estate sectors that were heavily battered, the industrial sector—particularly GMDC's tenants — proved to be resilient. Aside from our new Queens building, GMDC had only a few vacancies before the pandemic,

and with just three tenants moving out during the crisis, we remained strong. Today, GMDC's buildings are 100 percent occupied, with demand for our spaces as high as ever.

As the organization and its tenants persevered through 2020 and 2021, GMDC hit another milestone: Uniform Land Use Review Procedure (ULURP) approval for a new project that began way back in 2016. In conjunction with The Bridge, a successful non-profit provider of mental health and human services based in Harlem, GMDC has begun construction on a first-of-its-kind development in New York City. This new construction condominium project will include 40,000 square feet of industrial space on the ground floor and 174 units of supportive and affordable housing above it in Brownsville, Brooklyn — a community in need of both quality jobs and affordable housing.

The combination of the financing for this mixed-use project was unprecedented for our organizations. The distinct sources for the industrial piece were completely different from the housing side, as most of them could not mix. Thanks to a great development team including legal counsel, accountants, our excellent staff, and a board that keeps believing and supporting, the dream will become a reality. In 2024, GMDC and The Bridge will welcome new tenants to the building; we expect the units to lease quickly. •



Rendering by:
Think! Architecture + Design

GMDC BROWNSVILLE INDUSTRIAL CENTER

In 2016, The Bridge, a nonprofit provider of mental health and human services, approached GMDC with an idea: to redevelop a former factory site into a location that would provide production space for small businesses; affordable and supportive housing; and community facility space. GMDC and The Bridge, both mission-driven nonprofit real estate developers, found common ground in the desire to build something that could combine these uses in a safe, thoughtful manner.

The Bridge identified a former factory site at 805 Rockaway Avenue for sale in the Brownsville section of Brooklyn and purchased it in 2017. Since that time, the organizations, along with Mega Group Development, worked with a team of consultants to complete the Uniform Land Use Review Procedure (ULURP) to rezone the property, which would allow the mix of uses. Through that process, it became clear that in addition to the zoning and building code guidelines for mixed-use properties, additional mitigation measures should be incorporated into the design to ensure the uses coexist without disturbing one another — measures that will be inspected and recertified regularly. In December 2020 the ULURP was completed, and the property was rezoned from M1-1 to M1-4/R6A and M1-4/R7A to allow the addition of housing.

For this first-of-its-kind project in New York City, GMDC is utilizing financing provided by the Partnership Fund for New York City to bridge a \$1.6M grant from New York State Empire State Development. Through the New Markets Tax

Credit program, Chase Bank and New York City Neighborhood Capital Corporation are contributing over \$3.3M in equity and Enterprise Community Loan Fund is providing a \$2.1M senior loan. Congressional grant funding in the amount of \$2.5M is being provided by Senators Chuck Schumer and Kirsten Gillibrand with Congresswoman Yvette D. Clarke and will come through the U.S. Small Business Administration. To complete the capital stack, GMDC and its development partners, The Bridge and Mega Group Development, all made equity contributions.

Construction began in April 2022; when it's complete, GMDC will own and operate the 40,000-square-foot manufacturing condominium. The condo will provide long-term leases for approximately 10 manufacturing businesses and 35 new or retained jobs for workers making an average of \$50,000 per year. The Bridge will own and operate the condominiums that will provide 174 units of affordable and supportive housing and a community facility. •

Building upon its portfolio of successful industrial redevelopment projects, GMDC is now undertaking its first new construction project.



TENANT PROFILE

ASTERISK DESIGNS

Celeste Coughlin and William Sanders met in the 1980s while both were pursuing painting in NYC. They've since become partners in life and work. Throughout their journey, GMDC has been a haven for their creative inspiration. It was 28 years ago when William overheard that there was a space opening at 1155-1205 Manhattan Avenue: "We just grabbed it."

In 1995 they launched Asterisk, which has become known for its signature wall finishes – featuring textures such as iridescent mica, copper leaf and liquid gold. Venetian plaster quickly became their passion. "Now there are many people who use plaster the way that we do," Celeste says, "but at the time there were no books of how-to, or images of other people's work to emulate." Their punk sensibility to subvert informed their approach then and now.

Celeste recalls her first encounter with her chosen medium. “I was on a job site and saw Venetian plaster walls and was immediately taken by the mysterious depth of the material and the seductive waxy finish. My first experiments with it included manipulating it to do things other than how it was originally intended to be used.”

It was their ongoing relationship with the iconic architect Peter Marino which saw their business evolve. A proposal from Marino changed the direction of Asterisk: one of his retail clients wanted to use the same finishes for a high-end luxury brand in all its boutiques across Asia. Wallpaper seemed the right approach, but not until Celeste and William found a way to create something new while still retaining their voice.

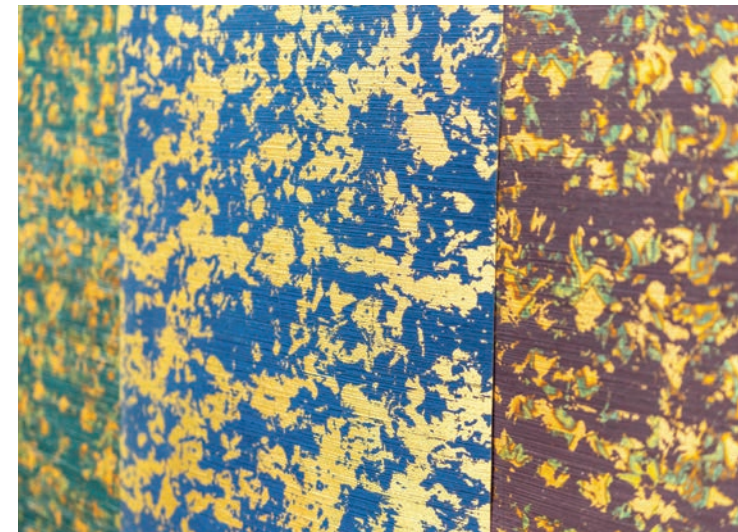
Today, their bespoke wallpaper collection is repped by Studio Four NYC, and they frequently work with prestigious Marino clients including Chanel and Louis Vuitton.

The pandemic interrupted Asterisk’s operations overnight. “We had three artisans working in the studio. Then everything stopped cold and there was basically no work. The last day we were finishing up work in one of our favorite client’s homes and we watched them pack up the car with their kids and their animals and drive away.”

GMDC was one of the reasons they were able to stay afloat. During the pandemic, 1155-1205 Manhattan Avenue remained a well-managed building where tenants didn’t have to worry about being displaced,

or a lack of safety protocols. This included collaborating with GMDC neighbors. Whereas Celeste and William used to drive out to Industry City, they now rely on their third-floor neighbors, Visual Mechanics, to laser cut their stencils.

As reopening proceeded, Asterisk’s business exploded. Celeste says, “Everyone is in a big rush to realize the ideas they have been dreaming during the pandemic.” •



“Everything is custom. Everything is for the client. Every step is different on every project.”





TENANT PROFILE

BIGHEAVY STUDIOS

Each of GMDC's tenants balances the commercial with the artistic. Few do it with such integrity and mindfulness as Timothy Paul Myers and Andrew Barnes of BigHeavy Studios in GMDC's 1102 Atlantic Avenue facility.

Their business once occupied a 27,000-square-foot space in New Jersey, where they designed and built window displays for the fashion industry — anchored by more than a dozen regular clients. Years ago, they traded in that version of success for a humble 400-square-foot space on Brooklyn's Dean Street, refocusing their attention on the art that was the core of the business. One weekend in 2015, as a flood forced them to flee, a broker pointed them to nearby 1102 Atlantic Avenue.

This was life-changing: “For the first time,” recalls Timothy, “after being in many, many studio spaces, we walked in here and felt like this was a studio home.”

While the initial seven-year lease provided Timothy and Andrew with a reprieve from NYC’s vulture-like real estate market, they were just as stunned by the facilities themselves. If the Dean Street location was held together by duct tape, chains, and spit, 1102 Atlantic was...solid. “A lot of people probably don’t notice this,” Timothy says, “but the conduit where the electrical wire is run in the hallway — everything is perfectly lined up. It was done by contractors that cared because everyone in the building cares.

“The first thing we say to anyone who visits is: ‘This is a GMDC building. GMDC is one of the few developers that is actually looking out for light industrial and artists in the city.’ We’ve developed such strong relationships with everyone here. We know their skillsets; we know their work. So when a project comes in, we spend a moment and we’re like, ‘Who in our network could collaborate with us on this project?’ Even just their resources. For the Peninsula project, we reached out to Josiah McElheny, to Yuji Yoshimoto of Studio UG. Oftentimes, we don’t have to go outside the building.”

The Peninsula Hotel project, Alizarin, is a site-specific commission that currently sits in the lobby of the hotelier’s Hong Kong location, a full-scale experience of high tea featuring felted objects — including samovars, cups and

saucers — rendered in a reddish hue, casting a moment in time into a tactile memory.

While BigHeavy does possess some equipment from the 21st century — including a laser — their work is overwhelmingly hand-made. If their favorite medium is paper, they’ve also been known to use rope, felt — even Lite-Brite! Of their client work, BigHeavy is proudest of the 2019 windows they put together for Tory Burch, which received the highest accolade in their industry: the WindowsWear Award for Best Holiday Window. •

“
We’re obsessive about our process, and that’s why our clients stick around.”





TENANT PROFILE

MHG STUDIO, INC.

After graduating from NYC's Fashion Institute of Technology in 1995, Michele H. Glick-Guarneri searched for an apprenticeship, and wound up with a specialty: "I ended up getting a job with a leather woman, and I loved the work from day one. The way it smelled, its touch. I just was crazy for it."

Despite being only twenty-six years old at the time, she soon launched her own business. At its core, MHG is a family-owned full-service leather artisan workshop, specializing in architectural leatherwork, restoration, custom leatherwork, and original furniture design. Working mainly by hand, Michele and her husband, Victor, use all types of leather, including exotic materials such as parchment, crocodile and sharkskin. Their craft resurrects the mostly forgotten tradition of leatherwork, while at the same time pushing the boundaries of design into the 21st century.



relationship with our management and the staff, and if any issues ever arise they are so approachable and so responsive that we feel extremely lucky.”

MHG’s fellow GMDC tenants are an invaluable resource. “With the variety of craftspeople and artisans on-site, we can get custom pieces made from beginning to end without ever having to ship them off to different areas. We use the metalworkers, the finishers, and we get about 80 percent of the woodwork we need made in the complex, as opposed to all over the place.

This allows superior quality control and vastly cuts down on shipping costs and mistakes.”

At present, there are five staff members at MHG, including three masters and two apprentices – one of whom they hired *during* the pandemic. “We’ve come a long way in almost 25 years. We’ve learned to manage workflow and skills among the staff to be consistent. For instance, one of us can half-hand stitch an item and someone else can pick it up and finish it, and you won’t know the difference. Things like this set us apart from our competition.” •

“

We want to be able to pass this knowledge on to future generations so this craft can continue.”

Michele and Victor had been living and working in Long Island City for seven years when they went to look at an available spot at 1155-1205 Manhattan Avenue, which would become their fourth studio space in 2016. “GMDC provided us with the opportunity to expand because of their business model, which is providing a fair rent in a very accessible building and a beautiful shop space. When you’re a micro-business like MHG, every financial decision has real consequences and every decision affects us and our employees. Having the office of GMDC located in the building has been great as well, because we have a fantastic



GMDC OZONE PARK INDUSTRIAL CENTER

In January 2020, state and local leaders, along with GMDC's financing partners, came together to celebrate the grand opening of the GMDC Ozone Park Industrial Center at 101-01 95th Avenue. The \$41 million renovation is GMDC's eighth redevelopment project and its first multi-tenanted manufacturing building in Queens.





Before



After

This is the largest project GMDC has completed and, though it opened at a challenging time in 2020, it has proven to be very successful.

GMDC restored the historic Spear & Co. single-user factory building to a fully functional, modern manufacturing building. Renovation highlights include extensive facade restoration such as window and door replacements; updated loading docks and a new freight elevator; subdivided units; and expansion of the existing solar array on the roof. The building has been certified LEED v4 Silver by the U.S. Green Building Council and listed on both the New York State and National Register of Historic Places. The

building now provides long-term space for manufacturing businesses whose workers make an average of \$50,000 per year.

Although the COVID-19 public-health crisis shortly followed the grand opening and leasing slowed down considerably, it has picked up again throughout 2021 and into 2022. The renovated property will provide a home for small businesses, and the quality jobs they provide, in the Ozone Park neighborhood for years to come. •





OZONE PARK TENANT SPOTLIGHT: SPATIAL RELATIONS

Growing up on Long Island, Vincent Martinelli learned carpentry from uncles who worked as contractors. He worked in retail fixturing and art direction until he decided to start his own business, Spatial Relations, building custom furniture and millwork. When he started shopping around for space in late 2019, he found the typical \$25-to-30-per-square-foot rate to be too high and discovered the only spaces available at his price point were dilapidated garages. On top of that, Vincent was confounded by vague common-area charges and hidden sewage and HVAC fees. He found GMDC to be more straightforward, as all utility usage was directly submetered. Once he saw the Ozone Park building and its brand-new freight elevator, he was won over by the clean, modern upgrades and sun-filled spaces. As a small-business owner, he felt secure signing his first long-term lease in a GMDC building. Since moving in, Vincent says the affordability of the rent takes the worry of real estate out of the equation, which gives him the room to create better. Not to mention, it is a dream to have his own parking spot!

GMDC PROPERTIES

1155-1205 MANHATTAN AVENUE

- 300,000 square feet
- 106 kW solar power array
- Located in the North Brooklyn Industrial Business Zone
- Current businesses include woodworkers, metal workers, ceramic artists, and jewelry makers

221 MCKIBBIN STREET

- 72,000 square feet
- 19 kW solar power array
- Located in the North Brooklyn Industrial Business Zone
- Current businesses include a display maker, a fine artist, and woodworkers

101-01 95TH AVENUE

- 85,000 square feet
- 62 kW solar power array
- Located between the East New York and Jamaica Industrial Business Zones
- Current businesses include metalworkers, woodworkers, a fragrance manufacturer, a large format printer, and a mushroom producer

1102 ATLANTIC AVENUE

- 50,000 square feet
- 56 kW solar power array
- Located on the industrial corridor of Atlantic Avenue in Crown Heights
- Current businesses include woodworkers, a metal finisher, model makers and housewares fabricators

810 HUMBOLDT STREET

- 95,000 square feet
- 32 kW solar power array
- Shared spray booth and finishing room
- Located in the North Brooklyn Industrial Business Zone
- Current businesses include woodworkers, a multi-media fabricator and a hydroponic farm

7 SAINT NICHOLAS AVENUE

- 24,000 square feet
- Current businesses include a milliner, a window coverings studio, and woodworker

805 ROCKAWAY AVENUE

- 40,000 square feet now in construction



GMDC has recently invested \$6 million in replacing the freight elevators at the organization's largest facility, 1155-1205 Manhattan Avenue.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	2020	2021
Current Assets		
Cash and Cash Equivalents	\$7,757,005	\$5,402,960
Restricted Cash	441,041	243,994
Rent and Other Miscellaneous Receivables	472,678	554,236
Mortgage Escrow Reserves	98,058	206,538
Prepaid Expenses and Other Current Assets	722,589	584,477
Total Current Assets	9,491,371	6,992,205
Property and Equipment – less accumulated depreciation	61,591,371	63,460,337
Construction in Progress	5,232,808	4,149,290
Goodwill – net of accumulated amortization	151,657	118,153
Deferred Tax Asset	400,550	–
Security Deposits	9,210	9,210
Loans Receivable	29,396,700	20,991,700
Utility Deposits	23,570	23,570
Restricted Cash	385,611	286,611
Interest Rate Swap Asset	–	198,658
Total Assets	\$106,682,848	\$96,229,734
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current Portion of Loans Payable	\$3,307,397	\$137,388
Current Portion of Mortgages Payable	4,582,797	872,568
Interest Payable	290,686	101,215
Accounts Payable and Accrued Expenses	452,573	364,630
Total Current Liabilities	8,633,453	1,475,801
Loans Payable – less current portion and unamortized deferred loan costs	7,427,473	7,270,922
Mortgages Payable – less current portion and unamortized deferred loan costs	66,849,965	61,884,437
Tenant Security Deposits	1,153,002	1,260,743
Deferred Income	38,416	169,889
Deferred Tax Liability	730,111	917,524
Interest Rate Swap Liability	2,469,159	1,454,678
Total Liabilities	87,301,579	74,433,994
Net Assets		
Without Donor Restrictions	16,641,886	20,248,305
Member's Equity – Noncontrolling Interest	2,739,383	1,547,435
Total Net Assets	19,381,269	21,795,740
Total Liabilities and Net Assets	\$106,682,848	\$96,229,734

FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF ACTIVITIES

REVENUE AND OTHER SUPPORT	2020	2021
Rental Income	\$6,051,991	\$6,363,488
Electric Income – net of credits	271,118	349,563
Contributions	1,998,033	408,237
Contribution – Loan Forgiveness – Paycheck Protection Program	277,300	10,000
Interest Income	508,882	265,780
Other Income	250,020	406,376
Total Revenue and Other Support	9,357,344	7,803,444
EXPENSES		
Program Services	8,765,935	9,141,440
Management and General	780,400	657,978
Fundraising	71,380	74,037
Total Expenses	9,617,715	9,873,455
Decrease in Net Assets Before Other Changes in Net Assets	(260,371)	(2,070,011)
Unrealized Loss (Gain) on Interest Rate Swap	1,196,960	(1,213,139)
Cancellation of Debt	–	(4,095,000)
Provision for Income Taxes– Deferred Tax Expense (Benefit)	118,379	587,963
Change in Net Assets (Deficiency)	(1,575,710)	2,650,165
Net Assets, beginning of year	19,977,186	19,381,269
Contributions	1,020,459	–
Distributions	(40,666)	(235,694)
Net Assets, end of year	\$19,381,269	\$21,795,740

GMDC STAFF, BOARD & SUPPORTERS

GMDC STAFF

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Michael Cavagnaro

Chief Financial Officer

Cassandra Smith

Senior Project Manager

Gustavo W. Martinez, R.A.

Project Manager

Curtis Biederbeck

Property/Leasing Manager

Gerri Duka

Assistant to the CFO/
Office Manager

Alef Tadese

Project Management Assistant

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SPECIAL THANKS

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The Bridge

Mega Group Development



GMDC
BUILDINGS THAT WORK

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