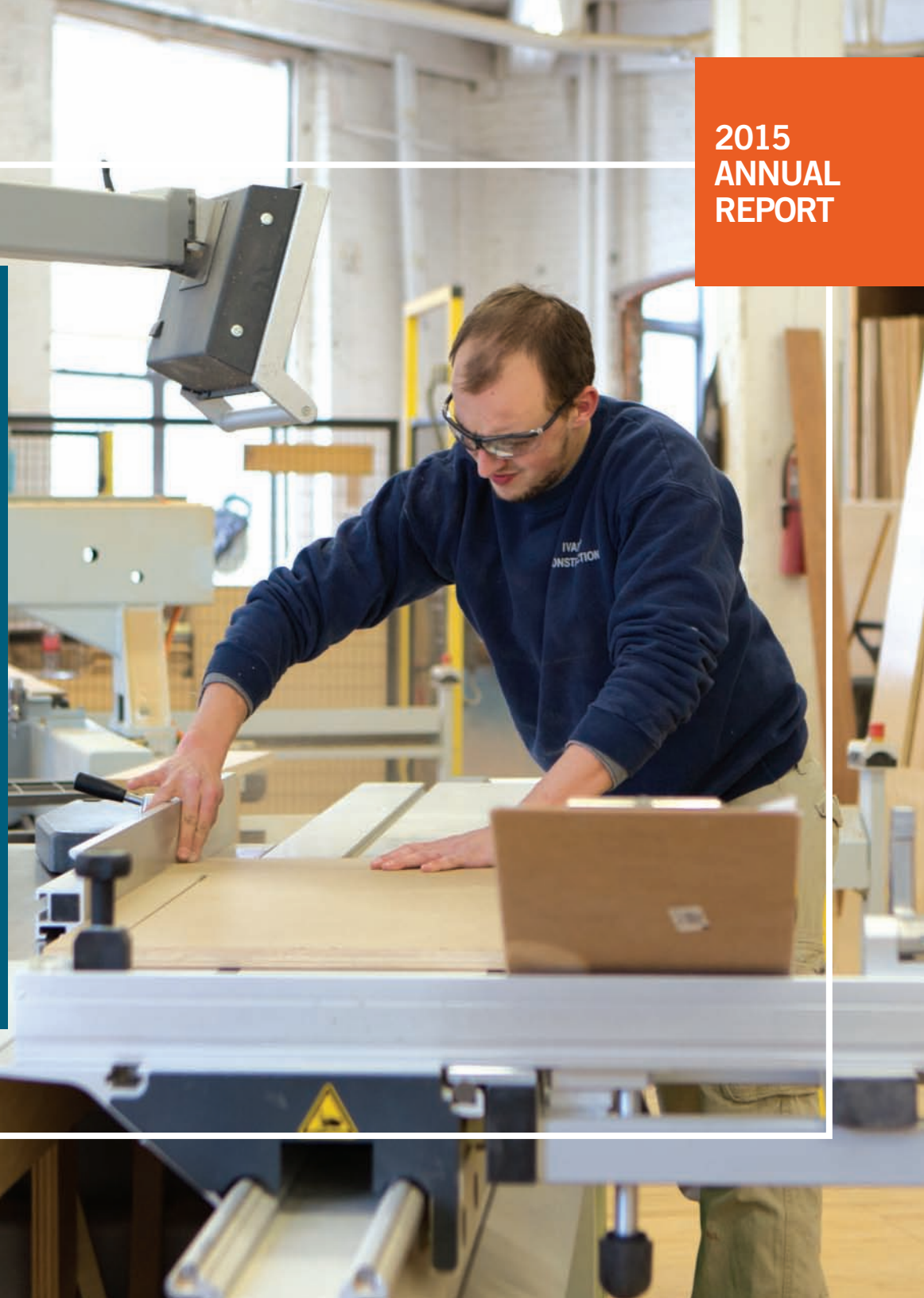


2015
ANNUAL
REPORT

GMDC SUSTAINING VIABLE MANUFACTURING IN URBAN AMERICA



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**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.**



Pictured (left to right): City Council Member Stephen Levin, City Council Speaker Melissa Mark-Viverito, and Mayor Bill de Blasio, speaking with Sam Morse, the owner of South Side Design & Building, at GMDC's 1205 Manhattan Avenue building. Photo by: Todd Maisel, NY Daily News

IN 2015, GMDC's latest project, 1102 Atlantic Avenue, was completed at a cost of \$15 million. The 50,000-square-foot facility was fully leased within four months of opening. Among the building's tenants are a furniture maker, a home goods manufacturer, a custom-printed circuit board manufacturer, and a model maker.

These tenants represent a common theme reflected in GMDC's buildings; all are custom, value-added operations selling primarily to a local market, at a premium price. These businesses are not our grandparents' version of manufacturing with large-scale mass production. Rather, they produce individualized small batch goods. A typical GMDC shop employs three to five individuals, almost all of whom are New York City residents.

The staff and board of GMDC have long acknowledged that manufacturing is not what it used to be in

New York City, but we have also recognized that the manufacturers that we have today are still a valuable asset to the city's economy. Making a table, a lamp or a theater costume involves more than the single shops that produce these goods. A large supply chain, which is most often also locally based, provides the raw materials and services required by these manufacturers. With the aforementioned in mind, GMDC continues its mission of creating homes for these manufacturers and the quality jobs they produce.

Unfortunately, as we look to develop our next project, we are confronted with the unsettling reality of the increasing expense associated with operating in New York City's competitive real estate market. Having purchased 1102 Atlantic Avenue in 2012 for \$100 per square-foot, we are now faced with prices more than double that amount. Continued fallout from rezonings and porous zoning regulations have

MESSAGE FROM THE CEO

fanned the flames of a market that has long been hostile to the manufacturing sector. GMDC's current and future tenants need to be in New York City, since this is where the owners and employees live and their goods are sold, but it is also where the vibrancy and creative spirit of the city serve as inspiration for their products. As such, GMDC is determined to move forward to develop more space to serve manufacturers' needs. Through sheer will, a bit of luck, and new City initiatives that assist industrial development, we believe that the next time this report is published it will again feature a new project that will offer long-term manufacturing space to small businesses.

Today there is greater appreciation for products that are locally made both in New York City and the nation as a whole. All trends start small, but as GMDC gets close to celebrating its 25th anniversary, we would say that the trend has been long and steady. We look forward to making sure the trend continues.

With our experienced staff, supportive board, partners in finance, and the support of the City of New York, we look forward to starting and completing our next project for the small manufacturers who choose to make New York City their home.

Sincerely,
Brian T. Coleman
CEO

NOW OPENED

1102 ATLANTIC AVENUE, BROOKLYN



Pictured (left to right): GMDC Board Chair Libby Ryan, Deputy Mayor Alicia Glen, Partnership Fund for New York City President & CEO Maria Gotsch, GMDC CEO Brian T. Coleman, Bank of America New York State President Jeffrey Barker, Land Use Director of the Brooklyn Borough President's Office Richard Bearak, Enterprise Community Loan Fund President Lori Chatman

GMDC's mission has always been to preserve manufacturing jobs in the city by providing long-term, affordable industrial space to small and mid-sized manufacturing companies. By purchasing and renovating dilapidated industrial buildings, GMDC has helped to preserve and create hundreds of jobs for low-income New Yorkers, and has provided a strong anchor for future outside investment.

With almost no available space in GMDC's existing facilities, and a growing inquiry list of interested tenants, GMDC's board and staff determined it was time for another development initiative. The challenge this time was picking a neighborhood whose buildings had not already been overvalued due to real estate speculation. After months of research and scouting out potential buildings, GMDC had a stroke of luck and found the E.A. Wildermuth Building at 1102 Atlantic Avenue. With a purchase price of only \$5 million, including a \$1 million donation made by the seller through

a bargain sale agreement, this former auto garage and repair shop was the perfect GMDC project.

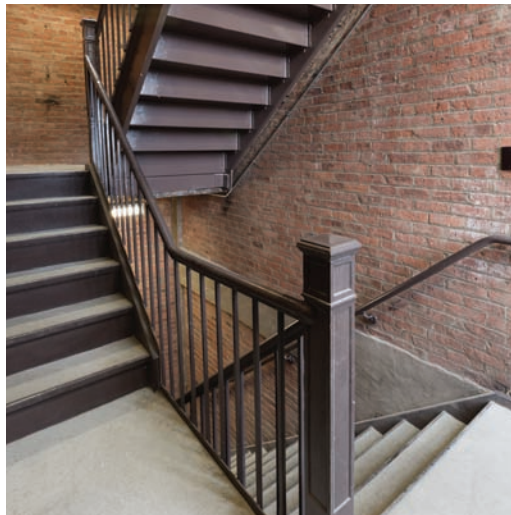
Located in the traditionally industrial section of the Brooklyn neighborhood of Crown Heights, the E.A. Wildermuth Building had once been among the dozens of manufacturing buildings in the area during its operation as an automobile garage. At the time of its purchase by GMDC, however, it had become one of only a handful of manufacturing buildings left, many of which had been replaced by luxury condos. Developing 1102 Atlantic

Avenue as an industrial space sent a message to the community-at-large that manufacturing would remain a viable industry in the area, and that jobs would be available for the residents of this historically low-income community.

In November 2012, GMDC closed on the building with the promise of public subsidy from the City covered by bridge financing provided by the Partnership Fund for New York City. The Brooklyn Delegation of the New York City Council contributed \$4.1 million to the project, and the Brooklyn

With the help of GMDC's dedicated team of architects, engineers, and construction managers, 1102 Atlantic Avenue has now become a permanent fixture within Brooklyn's manufacturing landscape.





Preservation of 1930s-era stairs at the 1102 Atlantic Avenue entrance



Borough President's Office provided \$500,000. Once the purchase was complete, GMDC staff began diligently piecing together the financing tools necessary to make this project feasible. Pre-development work began in 2011 supported by a grant of working capital funds from Deutsche Bank Americas Foundation.

1102 Atlantic Avenue was a considerable undertaking that required complex and creative financing. Having used New Markets Tax Credits in the past, most recently in the 2008 renovation of 221 McKibbin Street, GMDC's staff knew that they would be of great assistance at Atlantic Avenue. Through the leadership of Enterprise Community Investment and Bank of America Merrill Lynch, New Markets Tax Credits were cobbled together to leverage the public funds the project had been granted. For months, GMDC's

staff worked with the community development entities and the leverage lender, Enterprise Community Loan Fund, along with the New York City Economic Development Corporation (NYCEDC) and the New York City Industrial Development Agency (NYCIDA), to piece together this very complex deal on a building purchased in the red-hot, competitive real estate market of New York City.

Finally, in December 2013 the New Markets Tax Credit deal closed, giving GMDC the ability to begin construction on the \$15 million development. Led by GMDC's CEO Brian Coleman, and Senior Project Manager Cassandra Smith, GMDC transformed what was a dilapidated warehouse into an energy-efficient, fully upgraded manufacturing center. The scope of work for this project included installation of an elevator, complete

systems upgrades, façade and window restoration, roof replacement, environmental remediation, installation of a 59 kW solar array, and subdivision of the building into 1,200-6,000 square-foot units.

This project would not have been possible without the creativity and cooperation of an extensive team of financial and economic development professionals dedicated to the project's completion. Through the support of the NYCEDC and NYCIDA, 1102 Atlantic Avenue stands as a model for leveraging city capital dollars with private funds to maximize their benefits, rather than relying purely on public subsidy.

In the first quarter of 2015 tenants began moving into the substantially completed building, which is now 100% leased as of October. The 50,000 square-foot building is home to 11 manufacturing



Before and after of the 1093 Pacific Street façade

businesses with a total of 50 permanent employees. Among the new tenants are furniture manufacturers, a metal finisher, woodworkers, circuit board manufacturers, and a special effects design studio. By redeveloping 1102 Atlantic Avenue into a multi-tenanted manufacturing building, GMDC is encouraging the revitalization of manufacturing as a prosperous and thriving industry. “Our mission is driven by our belief that manufacturing jobs are good jobs,” says Coleman. “Manufacturing jobs are still an entry way to the middle class. 1102 Atlantic Avenue creates 50 more of those positions for local workers while keeping these businesses in the city.”

On April 28, 2015, GMDC celebrated the Grand Opening of 1102 Atlantic Avenue with members of Enterprise Community Partners and Bank of America Merrill Lynch, two major financial partners of the project, as well as Deputy Mayor Alicia Glen

and other city officials. Guests were given the opportunity to explore the building and meet some of the current tenants, who kindly paused their work to show the attendees some of their recent projects.

With the help of GMDC’s dedicated team of architects, engineers, and construction managers, 1102 Atlantic Avenue has now become a permanent fixture within Brooklyn’s manufacturing landscape. By preserving this building as an industrial manufacturing center, with affordable rents and long-term leases, GMDC has afforded its tenants the opportunity to continue to work within New York City’s invaluable market. ■

Our mission is driven by our belief that manufacturing jobs are good jobs.

TENANT PROFILE

MALLARY MARKS, INC.



Marks is a fine artist who has found a commercial application for her skills in the form of jewelry. As a native New Yorker, Marks knows what it takes to thrive in a competitive manufacturing industry. By selling to independently owned boutiques in major cities, she has established herself as a small business-owner dedicated to helping other small businesses thrive. “It’s extremely difficult to make it as a small business these days, so I try to make a conscious effort to support them, just as they’ve continued to support me,” says Marks.

Marks’ space is very simple with very few machines on the floor. Nearly all of the work is done by hand, which allows Marks and her employees to create delicate, intricate, and finely made pieces without the use of much machinery. Preferring elegance to flash, Marks’ pieces are beautifully understated and highly marketable to various types of styles.

Marks operates her business with the help of two full-time employees, Sue and Manuela, who are both skilled goldsmiths educated in the fine arts. Her business model accentuates the importance of employee happiness and safety, and she’s clearly doing something right, as both Sue and Manuela have been with her for over 12 years. “My goal has always been to provide a very safe and cared-for environment for my employees,” says Marks, who also provides health benefits and profit sharing for her employees, making Mallery Marks, Inc. a highly desirable place to work. In addition to Sue and Manuela, Marks employs an office manager, Christy, and a sales representative, Amy, part-time to help with the administrative aspects of her business.

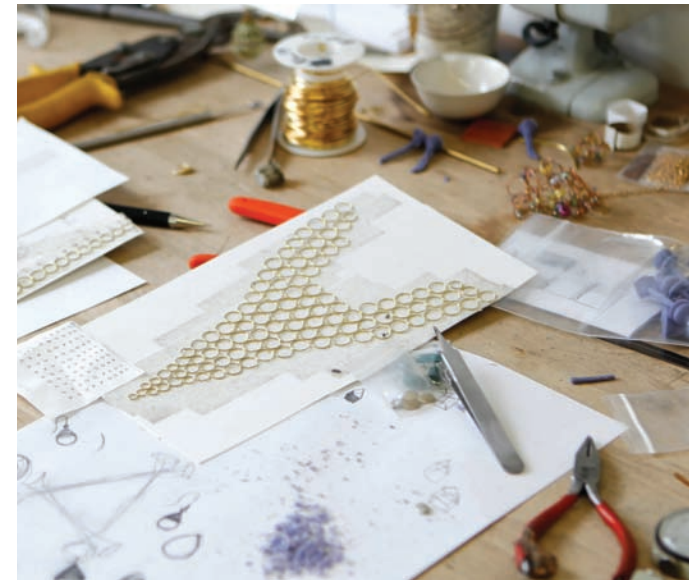
Mallery Marks began her career as a custom jewelry maker more than 30 years ago after graduating from the Rhode Island School of Design with a degree in Light Metals. Now she owns and operates her own jewelry business, Mallery Marks, Inc., and sells her pieces in high-end boutiques across the country.



In the last 30 years, all except three of Marks' employees have been women. "Jewelry manufacturing is a very viable location for women to land," says Marks. Indeed, jewelry seems to be one of few manufacturing trades where women have the upper hand. The vast majority of designers and store buyers that Marks has worked with have been women. However, Marks explains that while jewelry manufacturing may be a strong place for women to

be successful, it is hardly a woman-dominated field. "The majority of material vendors and casters are men," she explains, indicating that even one of the most feminine industries still has a strong male presence.

The best part about owning her own business, for Marks, is being able to provide stable, well-paying jobs for the women who work for her. ■



TENANT PROFILE

UBERTO, LTD.



Two years later, the high-end woodworking company occupies over 12,000 square-feet at GMDC's 1155 Manhattan Avenue building, with a fleet of brand new machinery and a growing number of employees.

Uberto, Ltd. specializes in renovating single townhouses or apartments for the city's affluent community. The type of work done is described as "small quantity, very high-end quality," by the company's Managing Director, Eric Repanshek. To achieve such high-quality results, Uberto has gathered a diverse and talented team of employees, each with individual skills that are key to the company's success. "The clients we work for often challenge us to do something quite special, something not done before. Right now, for example, we have been incorporating cold-applied liquid metal into our millwork. There aren't too many shops doing that yet, and now maybe we have a product not offered elsewhere in New York," says Repanshek.

Uberto has grown from a company of only one cabinetmaker and two assistants in 2006 to nine cabinetmakers and three finishers in 2014. Uberto currently has more ongoing jobs than ever before, which calls for a contingent of skilled employees to carry out the orders. The local network of woodworkers in New York City brought many of Uberto's current workers to their shop, each one selected for the quality and diversity of their skills. The staff range in age from mid-20s to mid-50s. "One of the most rewarding aspects of our kind of craft shop is the community nature of the work. It's through this collaboration of skills and experiences we thrive: the master cabinetmakers mentor and inspire the



When Hurricane Sandy flooded their woodworking shop in Red Hook, Brooklyn, destroying all of their machinery in the process, Uberto, Ltd. turned to GMDC in hopes of finding a new location.



young, the young challenge the masters with their new ideas, and the resulting skill set of the entire team gives us all more than just the satisfaction of a well-made product,” says Repanshek.

Of Uberto’s 12 employees currently working in their woodshop, only one speaks English as a first language. Uberto’s workforce is impressively diverse as many of their employees came to New York in search of a competitive manufacturing field in which their skills could be utilized and valued. Among these

workers are two women, who have thrived as skilled tradeswomen in a male-dominated field. One began her career working at her parent’s woodworking shop, familiarizing herself with the assembly process and developing skills as a finisher. She has been working as a finisher with Uberto since 2010, but has recently been given the opportunity to expand her skill set as a certified Corian craftsperson after Uberto began working with this solid surface material in many townhouse renovation projects. ■

TENANT PROFILE

MARKUS LINNENBRINK



Whether they're hanging in the Ameringer McEnergy Yohe gallery in Chelsea, or cloaking the walls of the Morrison & Foerster law office in midtown, these pieces personify true success in one of the world's most competitive art industries.

Originally from Germany, Linnenbrink had his first studio in Chicago while working on a show there before opening a studio in DUMBO in 2004. In 2008, Linnenbrink came to GMDC looking for long-term space where he could concentrate on work instead of real estate. Linnenbrink has developed relationships with several galleries the world over, with current shows in Madrid and Berlin. "I like the idea that you can create something that everyone can relate to regardless of what language you speak," he says.

For the past three years, Linnenbrink has operated his studio with an assistant to help manage his rising workload. His current assistant, Kelly, is a fellow artist and appreciates the flexible hours so she has time to focus on her own work. Linnenbrink's assistants tend to be younger artists, someone with trained skills and knowledge of materials who will benefit from learning more about working in the art world.

While Linnenbrink may only formally employ one person at a time to work for him, he contracts with many fellow McKibbin Street tenants, hiring them to provide various infrastructure for his projects. He regularly commissions neighboring woodworking company, the Woodwrights, to build the frames for his pieces and the shipping crates that carry his art to galleries across the world. Another neighbor, Green Rhino, is a photo printing studio that provides

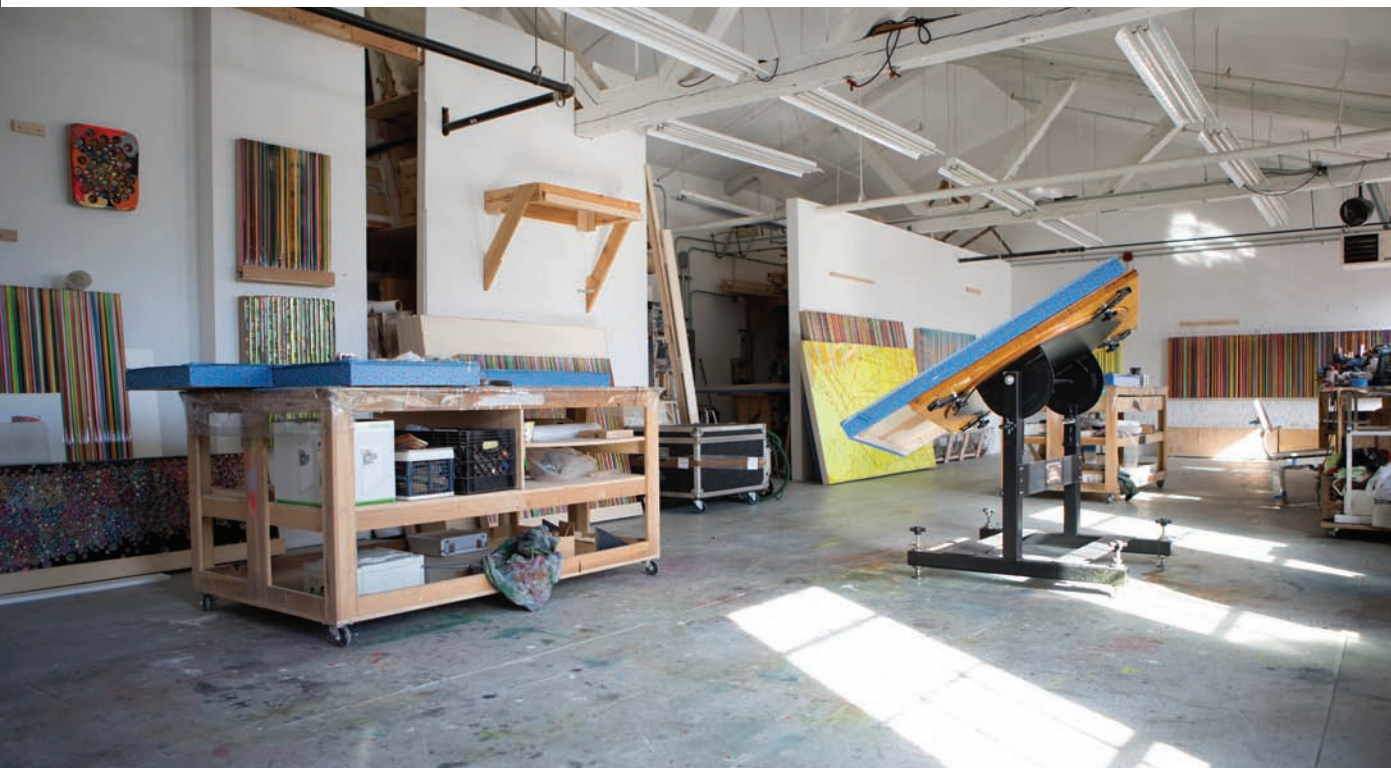


When walking into Markus Linnenbrink's 221 McKibbin Street studio, your eyes are immediately drawn to the impressively large and stunningly colorful pieces of art adorning the walls. Known for their drip and drill patterns, Linnenbrink's art dominates any room in which it is displayed.

him with prints that he has used in many of his recent drip paintings. The Brasslab, a metalworking company in the building, built a custom worktable and several apparatuses on which his paintings can hang in his unit. Linnenbrink recently used a CNC machine that belongs to Twoseven Inc., a display maker, to create a router pattern on his pieces.

Collaborating with fellow tenants has become standard operating procedure for Linnenbrink, who is experiencing firsthand the cluster effect from which many industrial sector businesses benefit. "The opportunities in the building are tremendous, and I am happy to have such a short distance to travel for communication and collaboration!" says Linnenbrink.

An often-overlooked component of creating and displaying art are the behind-the-scenes companies that provide Linnenbrink with necessary services and materials. Art supplies stores, art shipping companies, and galleries are all staffed by local workers that benefit from an active professional artist like Linnenbrink working in the city. The number of local workers he commissions for each show ranges from 6 to 18 depending on the size of the show. The jobs created through Linnenbrink's work are a significant portion of the employment GMDC estimated would be at 221 McKibbin Street upon redevelopment. ■



TENANT PROFILE

WORKS MANUFACTURING



Works Manufacturing is a custom industrial design and fabrication company that specializes in vintage-inspired metalwork. Established by Aleks Kravchuk in 2000, the business is now co-owned with his wife, Juliet, and has a dedicated crew of five skilled metalworkers.

Before he began his career as a metalworker, Kravchuk had planned to become a stockbroker after studying finance and investments in school. He got a job on Wall Street after graduation, but after one swift week he knew that world was not for him. It wasn't until he started working with his hands at Queens County Cycles, a motorcycle shop, that he realized where his passions truly lie. Shortly thereafter he opened up Works Manufacturing and ended up building a successful small metalworking business from scratch.

Before settling at GMDC's Manhattan Avenue building, Kravchuk spent the greater part of the 2000s moving his business from space to space, unable to afford the rent hikes that have become emblematic of North Brooklyn's industrial buildings. He finally landed at GMDC in 2012 after his previous landlord raised his rent from \$15/SF to \$56/SF overnight. Now he occupies 2,600 square-feet, which is the largest unit in which Works has ever operated. Having a larger space has been imperative to the operation and profitability of the business, and the ability to leave behind the real estate volatility in the industrial areas of North Brooklyn has been a relief. "We feel very lucky to find a space in the GMDC building to operate our business. We need room for large machinery, and our shop size and location has allowed us to stay competitive," says Kravchuk.

Kravchuk currently has five employees working on the floor, in addition to Juliet, who manages the business' operations. All of his employees are relatively young, yet highly skilled metalworkers with at least five years of fabricating experience. They come from a wide array of backgrounds and



each have a specialty that makes them a valuable asset to the company. Riley, who has been with Works since 2009, is a Pratt-educated machinist and welder. Ian was a sculpture major in college and has an advanced degree in stone work, but has been doing metalwork assembly and fabrication for the past four years. Gardner's industrial design background gives him the skills to handle certain jobs from start to finish. Max's background is in woodworking, but has been building his skill set in Works' metal shop for the past year. Jose, the company's newest employee, is a skilled welder.

Kravchuk's clients are as varied as the skills of the employees. Many of Works' pieces are found in neighborhood establishments, such as the lighting

fixtures and barstools in Spritzenhaus beer hall and the lamps in the Wythe Hotel. They also create custom metal pieces for architects who are doing renovation work in Upper East Side townhouses. Kravchuk, personally, has found a passion building custom motorcycles, and is currently working on a vintage cycle for legendary racer Dave Roper.

The best part of being the boss, Kravchuk says, is inspiring his employees to become better craftspeople, keeping them on their toes by learning new skills and taking on challenging jobs. "One of the reasons we love this job is because we are always doing something new, and it's a challenge for everyone involved." ■

GMDC STAFF, BOARD & SUPPORTERS



GMDC STAFF

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Michael Cavagnaro
Chief Financial Officer

Cassandra Smith
Senior Project Manager

Michael Lypen
Facilities Manager

Gustavo Martinez
Project Manager

Claire Bould
Assistant Project Manager/
Office Manager

Curtis Biederbeck
Property / Leasing Manager

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GMDC SUPPORTERS

**Organizations that have provided
financial support for GMDC
initiatives include:**

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Partnership Fund for
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New York City Economic
Development Corp.

New York City Industrial
Development Agency
Deutsche Bank Americas
Foundation

Enterprise Community
Loan Fund, Inc.

Enterprise Community
Investment, Inc.

Bank of America Merrill Lynch

SPECIAL THANKS

**Thank you to the elected
officials who continue to
support GMDC initiatives:**

Mayor Bill de Blasio

City Council Speaker
Melissa Mark-Viverito

Brooklyn Borough President
Eric Adams

Deputy Borough President
Diana Reyna

Public Advocate Tish James

New York City Council
Brooklyn Delegation

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2013	2014
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 8,376,243	\$ 5,217,874
Restricted Cash	952,020	880,114
Rent and Other Miscellaneous Receivables	493,581	259,464
Due from Related Party	105,430	649,665
Prepaid Expenses and Other Current Assets	1,767,715	2,038,333
Total Current Assets	11,694,989	9,045,450
Property and Equipment – net of depreciation	21,467,168	20,562,648
Construction in Progress	6,977,778	12,195,547
Deferred Costs	955,213	1,041,596
Security Deposits	25,090	25,090
Loans Receivable	13,831,228	13,882,608
Total Assets	54,951,466	56,752,939
LIABILITIES AND NET ASSETS		
Current Liabilities		
Loans Payable	33,129	122,602
Mortgages Payable	12,589,527	5,837,948
Accounts Payable and Other Accrued Expenses	348,807	1,336,021
Total Current Liabilities	12,971,463	7,296,571
Loans Payable	11,503,155	11,405,609
Mortgages Payable	27,470,835	31,543,609
Tenant Security Deposits	663,258	685,222
Deferred Income	22,087	44,410
Total Liabilities	52,630,798	50,975,421
Net Assets		
Unrestricted	2,851,034	6,528,073
Temporarily Restricted	107,222	7,589
Member's Equity	(637,588)	(758,144)
Total Net Assets	2,320,668	5,777,518
Total Liabilities and Net Assets	54,951,466	56,752,939

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF ACTIVITIES

	2013	2014
REVENUE AND OTHER SUPPORT		
Rental Income	\$ 4,435,434	\$ 4,535,697
Electric Income	243,518	303,670
Contributions	195,007	3,939,652
Interest Income	73,208	295,913
Miscellaneous Income	86,449	67,373
Total Revenue and Other Support	5,033,616	9,142,305
EXPENSES		
Program Services	5,173,346	5,354,760
Management and General	391,435	224,626
Fundraising	112,665	106,069
Total Expenses	5,677,446	5,685,455
Increase (Decrease) in Net Assets	(643,830)	3,456,850

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, woodworkers and a metal fabricator

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 and woodworkers

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



A woman with dark hair is shown in profile, focused on her work. She is holding a small, green, textured object (possibly a piece of wood or a small sculpture) with her fingers. The background is a workshop with various tools and materials on a wooden workbench. A pair of scissors and some papers are visible on the bench. The overall atmosphere is one of craftsmanship and design.

GMDC

BUILDINGS THAT WORK

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