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Navy Yard Finds Green In Green-Card Program

By JOSEPH DE AVILA

The Brooklyn Navy Yard hopes to trade green cards for greenbacks to help finance \$125 million in projects in its biggest facelift since World War II.

"We have to look for ways to do more with less," said Robert Lieber, deputy mayor for economic development. "This is a real interesting and clever way to provide financing."

The so-called EB-5 visa is awarded to foreigners who invest \$500,000 to \$1 million in U.S. businesses; \$500,000 is required if the investment is made in a high-unemployment or rural area. The investors must document that their investment created at least 10 jobs before they are granted green cards, which allow permanent residence in the U.S.

The Brooklyn Navy Yard expansion is expected to create about 2,800 construction, film-studio and so-called green jobs. Besides the foreign investment, New York City is also paying an additional \$81 million for infrastructure upgrades.

The total \$125 million from foreigners will be divided into two parts: \$60 million from 120 investors that will be used to create light-manufacturing and green jobs in the Navy Yard and \$65 million to Steiner Studios, the film- and television-produc-

tion studio there.

The first project the investment will fund is the transformation of a 220,000-square-foot space, built in 1899 but unused since the World War II era. It will be known as the Green Manufacturing Center and will house about 300 new green jobs, officials said.

The money earmarked for the studio will go toward renovating a 235,000-square-foot building and constructing five new sound stages and a parking lot.

"This program is raising money for New York City and Brooklyn the way that Congress intended it to," said Andrew Kimble, president and chief executive of the Brooklyn Navy Yard Development Corp. "People understand green jobs all over the world."

Initially, the EB-5 program, which can award up to 10,000 such visas annually, started off slowly because many investors couldn't afford the investment during the 1990s, said Jeanne Batalova, an analyst at the Migration Policy Institute, a think tank. It grew rapidly as traditional bank lending dried up for many large economic-development projects, she said.

In 2008, 1,443 investors and their immediate family members obtained EB-5 visas, according to the U.S. State Department. Last year, 4,218 EB-5 visas were ob-





tained. It's a big jump, but still below the 10,000 green cards allocated for the program. Most of the investors come from Asia, especially China and South Korea.

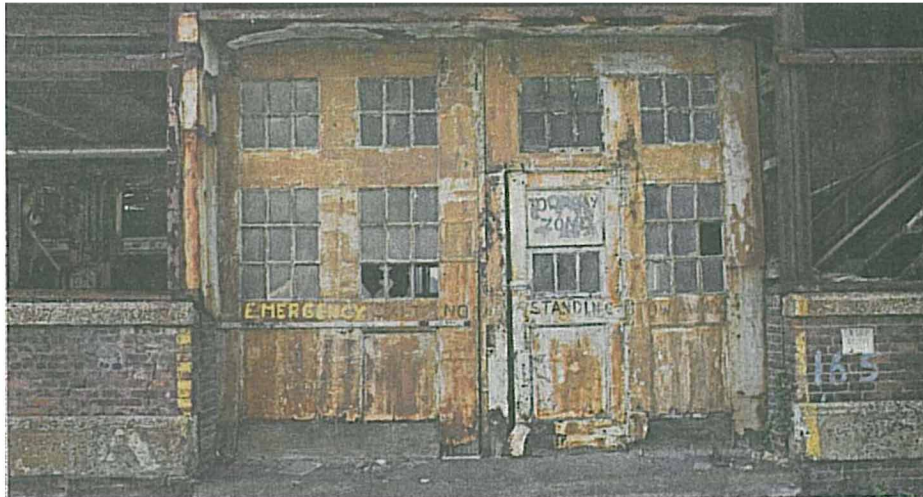
In 1992, Congress approved a program that allowed regional centers to be created to receive EB-5 funds. The regional centers organize investors to fund economic-development projects.

New York's first regional center is making the Navy Yard its initial investment. There are 95 other regional centers across the country. New York has two others serving Buffalo and upstate. California, with 26 regional centers, has the most in the nation.

The New York Regional Center LLC wanted to target a project in an area with high unemployment that would also have government support, said George Olsen, the group's managing principal.

The unemployment rates in the neighborhoods that border the Navy Yard were 14.8% in Bedford-Stuyvesant, 9.9% in Fort Greene and 7.9% in Williamsburg, according to figures from the third quarter of 2009, the latest available from the Fiscal Policy Institute.

The Navy Yard currently houses 242 businesses and has 5,000 employees working in industries such as e-commerce, manufacturing and film.



The Brooklyn Navy Yard will be renovated to house the Green Manufacturing Center, which is expected to create about 2,800 'green' jobs. Above, a former ship-repair building in the Navy Yard.