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MARKETPLACE

BY MONICA PAQUETTE

New York City has reached an agreement with New York University to establish in downtown Brooklyn an applied science research institute to address the needs of cities.

Mayor Michael Bloomberg announced that the Center for Urban Sciences and Progress (CUSP) will be located at a 460,000-square-foot office building at 370 Jay St. that was once the headquarters of the Metropolitan Transportation Authority but has been nearly vacant for the last decade, housing only some MTA and police department staff.

"Over the next five years, Jay Street will be transformed into a cutting-edge center for research and science that will give another huge boost to our city's economy," Bloomberg said in a statement.

The mayor predicted that with the addition of CUSP, Brooklyn will become "one of the most dynamic environments for entrepreneurs anywhere in the country."

The New York City Economic Development Corporation estimated that the project would add \$5.5 billion to the city's economy over 30 years, including \$597 million in tax revenues and 7,700 jobs.

Renovations are scheduled to be completed by 2017. The new facility will accommodate 530 graduate and doctoral students and 50 full-time faculty. Because classes are scheduled to begin in 2013, NYU intends in the interim to lease about 60,000 square feet in a Forest City Ratner Companies' building in the MetroTech Center area. The university will be paying an undisclosed rent for the space.

Andrew Weiner and **Kevin Groarke**, partners at **SNR Denton**, represented New York University on the Jay Street deal. Weiner also will represent the university on the interim space. Associate general counsels **Louis Cusano** and **Mark Righter** internally represented the university.

Meredith Kane, a real estate partner at **Paul, Weiss, Rifkind, Wharton & Garrison**, and **Barry Langman**, a counsel at Paul Weiss, represented the economic development corporation. In addition, **Marilyn Sobel**, a corporate partner, and **Menachem Kaplan**, a corporate associate, advised the agency on intellectual property matters. **Juliette Denkin**, a senior counsel in the economic develop-



Renderings of the planned Center for Urban Sciences and Progress at 370 Jay St. in downtown Brooklyn.

ment corporation's legal department, internally represented the agency.

The MTA was represented in-house by **Gordon Johnson**, deputy general counsel, and **Judith Schwartz**, a senior associate counsel.

Karen Candreva, a partner at **Arent Fox**, and associate **Andrew Udin** will represent Forest City Ratner on the interim space lease.

Ethel Corcoran, a special counsel in the legal bureau of the New York Police Department, internally represented the NYPD.

CUSP will be a "major anchor" in the Brooklyn Technology Triangle, Tucker Reed, president of the Downtown Brooklyn Partnership, said in a statement. It is near the MetroTech Center and Polytechnic Institute of New York University.

CUSP will partner with "top academic institutions from around the globe" to develop technology to address critical challenges facing cities, including infrastructure, tech integration, energy efficiency and public safety.

NYU will conduct a six-month feasibility study on the redevelopment of 370 Jay St. The allocation of space includes 150,000 square feet for classrooms, offices and laboratories plus 40,000 square feet for CUSP research. The remaining square footage may be used by NYU, by CUSP, or by other academic or commercial tenants.

The university will pay relocations costs of up to \$50 million to the MTA and \$10 million to the

NYPD, according to the economic development agency. NYU will then reportedly pay \$1 per year to lease the property and after 99 years has an option to buy the building.

The city has allocated \$15 million in benefits to the university, including public funding and tax abatements that will be made available in phases.

Support also will come from private entities, including IBM and Cisco Systems Inc., each providing \$1 million a year in financial and in-kind support; Con Edison, National Grid, Siemens and Xerox, providing up to \$500,000; and AECOM, Arup and IDEO, providing up to \$150,000 of consulting services at cost.

"New York itself has always been a part of the educational experience at NYU," John Sexton, the university's president, said in a statement. "With CUSP, New York will be a living laboratory, a source research, a test-bed of new ideas."

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