



The Rockefeller University in May 2019 marked the completion of its \$500-million Stavros Niarchos Foundation–David Rockefeller River Campus, which includes over 160,000 square feet of laboratories, offices, conference rooms, and common areas. The lab space (pictured) is within the centerpiece of the campus, the 750-foot-long Marie Josée and Henry R. Kravis Research Building. [Alex Philippidis]

Building Bio in the Big Apple

GEN Edge Q&A: Nancy Kelley of NYC Builds Bio+ Discusses New York City's Growing Lab Space Inventory

By Alex Philippidis

New York City is on the cusp of doubling its lab space inventory over the next two years as new lab space [totaling more than 1.5 million square feet](#) takes shape. The largest development is the third building—the 550,000 rentable-square-foot North Tower—that Alexandria Real Estate Equities is constructing at its Alexandria Life Science Center-New York City campus in Manhattan.

Manhattan is also where Alexandria plans to expand its LaunchLabs® accelerator to a second Big Apple location at Columbia University’s Lasker Biomedical Research Building; and where Alexandria plans to redevelop Pfizer’s headquarters on East 42nd Street, with an option to either convert existing office space into office/lab space or build an additional 230,000 square feet of new space.

Elsewhere in Manhattan, Janus Property is transforming a former bread bakery site in West Harlem into the 350,000-square-foot Taystee Lab Building; Deerfield Management [unveiled a \\$635-million plan](#) to convert 345 Park Avenue South into life-sciences space; and Larry Silverstein’s Silverstein Properties and Taconic Investment Partners have already converted 619 West 54th Street into The Hudson Research Center.

Across the East River in Long Island City, Queens, King Street Properties and GFP Real Estate broke ground in December 2019 on Innolabs, which will convert a 160,000-square-foot class B office building into a 266,800-square-foot Class A life-sci facility; while Alexandria in 2018 bought The Bindery, a 175,000-square-foot building, for a reported \$75 million, then spent \$25 million in July for a site across the street.

In May, The Rockefeller University celebrated completion of its \$500-million [Stavros Niarchos Foundation–David Rockefeller River Campus](#). Constructed within university-owned *air rights* over the FDR Drive, the 2-acre campus includes over 160,000 square feet of laboratories, offices, conference rooms, and common areas. The centerpiece, the 750-foot long Marie Josée and Henry R. Kravis Research Building, was constructed by swinging nineteen 750-ton modules from a barge on the East River over the FDR Drive.

“We had to shut down the roadway after midnight, and the first lanes had to be reopened by 5 a.m. the next morning,” recalled Curt Zegler, VP/Construction Executive, Turner Construction. The East River’s current was so strong, he said, that work had to occur “between high and low tide on the river, which really only gave us only about a two-hour window.”

Zegler was among professionals involved in developing and constructing the River Campus who discussed the project during a breakfast meeting of [NYC Builds Bio+](#), which advances life sciences development in New York City by uniting the city’s real estate and life-sci communities.

Nancy J. Kelley, JD, a Steering Committee member of NYC Builds Bio+, is President and CEO of Nancy J Kelley + Associates, which provides strategic, legal, and financial management services in the life science and healthcare industries. Kelley is the founding executive director of the New York Genome Center in Manhattan, an audacious project supported by virtually all of New York’s leading academic institutions.

Kelley discussed NYC Builds Bio+, and New York City’s growing life sciences community, in an interview with GEN Edge reporter Alex Philippidis (edited for length and clarity):



Nancy J. Kelley, JD, MPP, a Steering Committee member of NYC Builds Bio+, and the President and CEO of Nancy J Kelley + Associates.

PHILIPPIDIS: How has NYC Builds Bio+ advanced life sciences in New York City?

KELLEY: We've had one year of operations, and I think we've been very successful. We have had two real estate development symposia on life science, the first in 2018, and 250 people attended. Our second symposium, 350 people came to that; that was also sold out.

During our first year, we attracted nearly 80 members—about 26 corporate members and 54 individual members. We've also had a series of quarterly breakfasts; all sold out. We've had two membership receptions, the last one hosted by the New York Stem Cell Foundation. We've issued quarterly newsletters keeping people up to date.

We recently formed seven leadership committees; 70 people have signed up to participate in them. And we're working on a white paper that will be published in the spring of 2020 with the New York Building Congress, focused on healthcare and life sciences real estate in New York City.

PHILIPPIDIS: How did NYC Builds Bio+ come to be formed?



Within The Rockefeller University's River Campus, the Anne T. and Robert M. Bass Dining Commons serves breakfast and lunch. [Alex Philippidis]

KELLEY: I've been involved with building life science in New York City since the early 2000s, when I did the East River Science Park (now Alexandria Life Sciences Center). Some of the leaders of the firms who participated in the design and construction of that project, and of the New York Genome Center, were a little bit frustrated by the pace of change, knowing how much New York has to offer, and that the industry really didn't seem to be developing in New York.

One of the reasons was the lack of space. There's about 1.1 or 1.2 million square feet of life science space, no vacancy, and none coming online. NYC Builds Bio+ was launched as a way to bring the real estate community and life science communities together to educate—especially the real estate community—about the needs of life science, how you build it, how you repurpose buildings, what is it about New York City that makes this kind of development here unique, because it is different than in Boston.

PHILIPPIDIS: What are New York City's strengths, challenges, opportunities, and even threats toward building a supercluster on a par with Boston-Cambridge, MA, or the Bay Area?

KELLEY: We're maybe 15 or 20 years behind Boston in our development. We need to create space for life sciences. We need to have a welcoming environment for life sciences companies, where they can grow and be nurtured, where life sciences executives as well as engineers want to work in the city, and have places where they can find housing and where their kids can go to school. We also need workforce training for the lab technicians that are also needed to run these kinds of buildings. Putting all that infrastructure in place, and really creating that community of interaction that is so strong in Boston and San Francisco, is going to take some time to nurture.

Some of the things that have held the city back are that traditionally, academic medical centers here licensed technology to large pharma companies but hadn't necessarily had a culture of entrepreneurship. That is very much changing now. All of the academic medical institutions are investing in programs which will allow them to nurture and support spinout companies, and they're committed to having them locate in the city.

PHILIPPIDIS: New York institutions traditionally didn't cooperate closely. How did you get people talking with each other?

KELLEY: With the New York Genome Center, we recruited 11 of the top academic medical centers in the city to come together and help to found that institution. I think what really brought them to the table was, New York has traditionally been one of the strongest places for healthcare in the world globally. And healthcare was changing: With the completion of the Human Genome Project, we were moving toward more of a precision medicine approach.

In order to deliver precision medicine, you needed a high-throughput sequencing facility to be able to do that type of a genetic analysis. At the time that I started looking at this problem in New York, there were only 29 sequencers in all of the city.

When the leaders of those academic institutions realized the extent to which they were behind in this area, they decided to collaborate, to step up, and create a facility that would be available for all of them to use, and that could potentially share data and information which might drive drug discovery for a very diverse population group, which is the population that lives in New York.

PHILIPPIDIS: Members of NYC Builds Bio+ include real estate and life sciences participants. What kept the two industries separate until recently?

KELLEY: There's lots to invest in in New York real estate. And life science real estate is complicated. You need investment to put in the additional mechanical equipment and other attributes into a building before it's ready to be leased. And when you're thinking about a commercial or a tech client, they don't need that same kind of preparation or investment, so it's much easier to lease to another type of client, especially when the market is very hot.

I don't think that the real estate community ever really focused on life sciences in particular. But that's beginning to change now, because with the convergence of tech and life science and entering into the "Century of Biology"... the building owners and developers are starting to wake up and see that this could be an alternative use. It could be a hedge against a downturn in the market in other industries. And the life sciences are genuinely starting to take off in New York. So, I think they're interested in learning more about it. And I think the life sciences companies need to educate them about what goes on in these buildings, and what their needs are.

PHILIPPIDIS: To what extent is real estate developer interest the result of city and state government economic incentives created in recent years?

KELLEY: Yes, a big part of what's driving this is the city and states programs to advance this industry. In 2015, the city and state both announced very large programs to invest in life sciences. In 2016, Gov. Cuomo announced a [\\$650-million initiative](#) [approved at \$620 million]. And (NYC) Mayor (Bill) de Blasio at the same time announced a [\\$500-million initiative](#) over a 10-year period.

The first ventures that were opened were [new incubators](#): Alexandria [opened LaunchLabs®](#). BioLabs@NYU Langone was established. JLABS opened a new 30,000-square-foot facility. That means that there will be perhaps up to 30 companies graduating from each of those facilities in the next several years. That is quite a few companies that need to be located in the City, and there needs to be real estate that's ready for them.



King Street Properties and GFP Real Estate broke ground in December 2019 on Innolabs, which will convert and expand a 160,000-square-foot class B office building into a 266,800-square-foot Class A life-sciences facility. [King Street Properties]

PHILIPPIDIS: How does NYC Builds Bio+ navigate around the sometimes complementary, sometimes conflicting goals of New York City and New York State in advancing life sciences?

KELLEY: We're neutral — basically we've invited everyone to the table to come for a conversation. Both the state and the city have participated in our events, and we're glad to have them, because we need their support in order to grow this industry and for it to be successful.

PHILIPPIDIS: How does New York City compete given there are three powerhouse clusters on the East Coast: Boston-Cambridge, BioHealth Capital Region (Maryland-D.C.-Virginia) and Greater Philadelphia?

KELLEY: The Brookings Institution in the early 2000s [identified nine biotech clusters](#) in the United States. Since that study was published, some of those clusters have grown much more rapidly than others: Boston, San Francisco, San Diego. But there is also New York, New Jersey, the Maryland area and North Carolina, all of which have continued to grow and develop at a slightly less frantic pace.

I think what it will require is a focus on the strength of New York, and perhaps New Jersey combined, possibly growing into a supercluster. They sit really at the nexus, between the largest academic medical centers in the world, and the largest pharma center in the world, with a lot of highly skilled and available labor in terms of biomedical engineers, and a lot of innovation coming out of the institutions now. I think that all of the elements are really coming together now to propel New York forward.