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Brooklyn Heights Redevelopment Project Nets Financing

Hudson Companies, the developer behind a project to build a library and condominium tower, has secured a \$280 million construction loan

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A rendering of 280 Cadman Plaza West in Brooklyn Heights, where Hudson Cos. is planning a project that includes a 36-story tower housing a new 26,620 square-foot library, a 9,000 square-foot science, technology, engineering and math lab for students, and 134 condominium units.

The developer behind a Brooklyn Heights project to build a new library and condominium tower has secured a \$280 million construction loan, allowing the mixed-use redevelopment to move forward.

The Hudson Cos. on Thursday closed on a \$280 million loan provided by real-estate finance company Starwood Property Trust Inc. and Related Fund Management, a division of real-estate firm Related Cos., Hudson said.

Starwood provided \$200 million and Related contributed the rest of the debt, Hudson said.

Hudson also closed on the \$52 million purchase of the Brooklyn Heights Public Library site from New York

City, a transaction that will fund the build out of a new library at the site, as well as much needed improvements at eight other branches.

“This is the poster child for public-private projects,” said David Kramer president of Hudson.

The Brooklyn library system has long faced challenges of underfunded expenses to maintain and improve its aging library buildings, which, on average are more than 60 years old, said David Woloch, executive vice president of external affairs for the Brooklyn Public Library.

“This is really a game changer for us,” Mr. Woloch said. “This one asset is generating an unprecedented amount of public benefit.

Hudson’s \$470 million project at 280 Cadman Plaza West, selected from a number of proposals by the New York City Economic Development Corporation and the library, includes a 36-story tower that would house the new 26,620 square-foot library, a 9,000 square-foot science, technology, engineering and math lab for students, and 134 condominium units.

Brooklyn Roasting Company and pop-up food vendors selected by Smorgasburg, the weekly seasonal outdoor-food market, would occupy the two retail spaces on the site. The project is expected to be completed by 2020.

Moreover, Hudson plans to build 114 permanently affordable apartments, about double the requirement, on privately-owned sites in the Clinton Hill neighborhood of Brooklyn as part of the project.