



ESSEX CROSSING - SITE 6

Developer

Delancey Street Associates

Project Type

New construction; community center

Description

Located in the Lower East Side of Manhattan, Essex Crossing is a \$1.2 billion mixed-use development that consists of nine sites on six acres that have sat mostly vacant since 1967. This effort represents one of the most significant urban renewal developments in the history of New York City. Phase One construction commenced in early 2015 and the third phase is expected to be completed by 2024.

Enterprise's New Markets Tax Credit (NMTC) financing is being used for the new construction of part of the commercial portion of the Site 6 building. The project will include four floors of the building occupied by: a 51,000 square-foot medical facility/office space (leased by New York University); a 22,000 square-foot community center run by Grand Street Settlement; a 4,000 square foot outdoor garden/open space; and 6,000 square feet of retail. An additional educational facility – not financed with NMTC equity – will be located on one floor. The residential portion of Site 6 will feature 99 affordable senior rental homes and a superintendent's unit.

The building will achieve LEED Certification.

Financing

The \$47 million Site 6 project was made possible with NMTC allocation from several groups. Enterprise



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provided \$12 million of NMTC allocation. Additional allocation was provided by Low Income Investment Fund (\$15 million) and Wells Fargo (\$7.5 million). Wells Fargo was also the NMTC investor. Wells Fargo and LIIF also provided \$20 million and \$6 million of debt to the project, respectively. Together with their equity partner, Goldman Sachs, the developer contributed \$9 million of equity.

Market

The multi-year Essex Crossing project is expected to result in 1.87 million gross square feet of multi-family rentals, office space, community space, retail shops, restaurants, a movie theater, residential condominiums, park space, a new Essex Street Market, and a new outpost of the Andy Warhol Museum. Half of the 1,000 apartments will be affordable for low-, moderate-, and middle-income families, and the retail space includes The Market Line, which is designed to complement and provide seamless access to The Essex Street Market, the Essex Street subway station and the surrounding neighborhood.

Community Impact

The Site 6 project is expected to create 300 construction jobs and over 300 permanent jobs. The developer anticipates that many of the jobs will be accessible to low-income people through programs such as the Lower East Side Employment Network and NYC Department of Small Business Services.

Grand Street Settlement will operate a ground floor café and support local community-building programs related to job training, industry opportunities, and quality food and service for the community. GSS will also relocate their existing senior center into the project, expanding their programming, events and services.

The project will be transformative to an area of New York that suffers from a 35 percent poverty rate and a median income of 46 percent of the Metropolitan Area median family income. Not only will the project put long-vacant land back to productive use, but will do so in a manner that will serve the current and new low-income residents of the neighborhood.

Developer

Delancey Street Associates is a partnership among experienced developers L&M Development Partners, Taconic Investment Partners and BFC Partners.

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Investor

Wells Fargo & Company (NYSE: WFC) is a nationwide, diversified financial services company with \$1.8 trillion in assets. Founded in 1852, Wells Fargo provides banking, insurance, investments, mortgage, and consumer and commercial financial services worldwide. At the end of third quarter 2015, Wells Fargo ranked fourth in assets among U.S. banks and was the world's most valuable bank by market capitalization.

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