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Cronheim arranges \$13.5 million for Poughkeepsie Plaza redevelopment

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Poughkeepsie, NY Cronheim Mortgage secured financing totaling \$13.5 million for the redevelopment of Poughkeepsie Plaza, 2600 South Rd. The borrower wishes to remain anonymous at this time.

Cronheim helped facilitate the sale of the existing \$8.8 million loan from Fidelity Guaranty Life Insurance to Phoenix Life Insurance Co., both of whom Cronheim represents as corresponding agent and servicer, and arranged for additional construction proceeds of \$4.7 million. The seven-year loan includes one year of interest-only payments followed by a 25-year amortization schedule, and the interest rate was locked over four months prior to closing.

Poughkeepsie Plaza is a one-story, 170,966 s/f community shopping center with three pad sites for a total building area of 175,743 s/f. Originally constructed as a strip center in 1958, the subject was subsequently partially enclosed in 1978, with various additions from 1983 to 2004. The subject is currently leased to over 35 retailers including Modell's, TGI Fridays, Wendy's, Harmon Stores, Famous Footwear, and Marshalls, among many others, and shadow-anchored by an adjacent Toys R Us.

The original financing was cross-collateralized with the 39,438 s/f Brittany West Plaza in New Britain, Conn., a neighborhood shopping center whose main tenants are Connecticut Beverage Market, Monro Muffler, and TD Bank.

The borrower is using the additional proceeds to de-mall the center, creating up to 13,300 s/f of additional leasable area.

Andrew Stewart, CEO of Cronheim Mortgage, said, "This was a situation outside of our lenders' core businesses, especially since the original Fidelity loan had seven years left of yield maintenance and Fidelity had neither the inclination nor the ability to provide B-note construction financing. As the loan's servicer, we convinced Fidelity to sell their note at par to Phoenix, as Phoenix felt that they could provide the additional financing and utilize our services to administer construction draws. Our ability to convince multiple parties to work together here allowed the developer to unlock substantial value in redeveloping the asset."