



## **Madison Realty Capital provides \$106m to Arch Cos./AB Capstone**

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New York, NY Madison Realty Capital, a New York City-based real estate private equity firm focused on debt and equity investment strategies, has provided \$106 million in construction financing for a partnership between Arch Cos. and AB Capstone for the ground-up development of Myrtle Point, a 17-story, 284,000 s/f mixed-use building at 3-50 St. Nicholas Ave. along the border of Bushwick, Brooklyn and Ridgewood, Queens. The project will comprise 130,000 s/f of commercial retail space, leased to two big box credit retailers; 133 residential units, which will include a 30% affordable component.

The project is designed by S9 Architecture and is strategically aligned to benefit from direct access to the MTA Subway via the M and the L Trains and the Ridgewood Intermodal Bus Terminal. Encompassing almost an acre of land, the transformative project will consist of a four-story commercial base topped with a 13-story residential tower offering an abundance of light and air.

“We are pleased to provide a \$106 million loan to an experienced sponsorship team, whom we know well, while contributing to the growth of this vibrant neighborhood,” said Josh Zegen, managing principal and co-founder of Madison Realty Capital. “We are excited about this project on the Bushwick and Ridgewood border given its accessibility to public transportation options and high quality retailers. The transaction represents our ability to leverage our familiarity with the needs of our repeat borrowers to efficiently create customized financing solutions.”

Myrtle Point marks Arch’s third ground-up development in the city since the firm’s inception in 2017, coming on the heels of 11 Greene, a nearly 66,000 s/f residential building delivering in early 2021 on a prime SoHo corner that comprises 31 luxury loft apartments and 12,000 s/f of retail at the base, and 550 Metropolitan, a boutique residential and retail development in Williamsburg, Brooklyn.

“Arch brings a holistic, hands-on and vertically integrated approach to development projects that will deliver value to both the community and our investors,” said Jeffrey Simpson, managing partner and co-founder of Arch Cos. “Arch is a firm believer in New York, especially burgeoning outer boroughs neighborhoods like Ridgewood. Ridgewood is an exciting, dynamic neighborhood that has seen an influx of new residents in recent years and is primed for growth as a natural extension of the highly active Williamsburg and Bushwick markets.”

Arch has achieved a diversified portfolio that now spans nine states and includes 3.4 million s/f, inclusive of more than 3,000 multifamily units in addition to a significant commercial component.

“Myrtle Point represented an exciting investment opportunity to continue growing our New York portfolio at an attractive basis and the ability to enter a deal where we could help drive value with our deep market and development knowledge,” said Jared Chassen, partner and co-founder of Arch Cos. “Arch has significant dry powder, which it has been deploying to take advantage of recent market shifts and strategic situations, including successfully entering and exiting three recent hotel investments.”

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