



Ensemble/Mosaic obtains investment for Philadelphia Navy Yard project from Basis Investment Group

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Philadelphia, PA Ensemble Investments (Ensemble) and Mosaic Development Partners (Mosaic), in partnership with Korman Communities (Korman), have secured and completed debt and equity financing for the first residential project at the Navy Yard. The \$285 million mixed-use development will include luxury, furnished, market rate and affordable units as well as extensive amenities and retail.

The project includes minority- and women-led representation at every level, including but not limited

to Ensemble/Mosaic - a joint venture between Ensemble and Mosaic, an MBE firm with a 22% ownership in the partnership - as the developer; the prioritization of minority-led design, engineering, and construction vendors; and the \$100 million in limited partner (LP) equity and preferred equity investments led by New York-based minority- and woman-owned Basis Investment Group (BIG).

Ensemble/Mosaic's efforts at the Navy Yard include development and ownership of residential, life science, office, hospitality, retail, and community space. This phase of development will include 614 residential units across two buildings.

"From the day we announced that Ensemble/Mosaic would develop 109 acres at the Navy Yard for life science, corporate, hospitality and residential uses, we have been committed to creating equitable opportunities throughout all aspects of the project for minority- and women-owned businesses, and we are thrilled to announce a deal where 100% of the equity raised was led by such a firm," said Brian Cohen, managing director, Ensemble. "Basis's nimble investment platform and leadership was instrumental in securing funds for the project in one of the most difficult capital environments the industry has seen in decades."

Basis is a registered investment advisor with a national commercial real estate investment platform established by co-founder and CEO Tammy Jones that lends/invests in both debt and equity strategies. The firm, which is more than 70% minority- and female-staffed, has successfully closed nearly \$1.3 billion in investments with qualified minority and women sponsors across multiple strategies and asset classes, focusing across the U.S. middle market.

"This development is a game changer for the continued revitalization of the Navy Yard because this phase brings critical housing (including affordable) and retail to an area that is already anchored by an active life sciences hub where more than 15,000 people are working," said Jones. "Ensemble/Mosaic's approach and commitment toward elevating an entire community with a focus on sustainability and inclusion aligns with our broader mission and investment strategy."

"This project was particularly exciting for Basis because it continues our long-standing and proven ability to identify and assemble top sponsorship and investment teams of color for large-scale development projects as part of our core ethos," said Dale Burnett, managing director of BIG. "The Navy Yard is the latest in a series of DEI-oriented investments we've made including but not limited to our equity partnership with Tishman Speyer for a portfolio consisting of eight developments across nearly 3.1 acres in Downtown Santa Monica CA; and Related Beal's 22 Drydock, a 319,000 s/f, state-of-the-art life sciences complex on Boston's waterfront"

"Basis's capital investment is a continuation of our commitment to a DEI strategy that strives to create opportunity for minorities and women at every level," said Leslie Smallwood Lewis, COO, Mosaic. "Whether working with Moody Nolan, the largest minority-owned architectural firm in the nation, on this building, or the nearly 15 minority- and women-owned entities that contributed to the 2022 Navy Yard Plan, inclusion is one of our guiding principles at every level."

In addition to the equity investment by Basis:

- Approximately 50% (\$4.3M) of the design and engineering of the project is provided by MWBEs
- 45% (\$90M) of the construction spend will be committed to MWBE contractors
- 25% of the retail space will be reserved for minority and woman-owned businesses
- 2% of annual net cash flow will be donated to a foundation supporting the professional development and economic empowerment of minorities and women

“When selecting a development partner for the Navy Yard, PIDC intentionally prioritized diversity equity and inclusion” said Kate McNamara, PIDC’s senior vice president, Navy Yard.

“This market-leading partnership between Ensemble/Mosaic and Basis Investment Group goes beyond typical DEI strategies by extending equity and inclusion to the capital side of projects which will become the standard in how equitable development should be approached nationwide.”

The development will be financed with two separate construction loans; a \$78 million facility provided by ULLICO, and a \$95 million participating facility involving M&T Bank (agent lender) and Israel Discount Bank of New York (participant lender). CBRE Capital Advisors, the investment banking arm of CBRE, in conjunction with the Philadelphia office of CBRE’s Debt and Structured Finance division, acted as the exclusive financial advisor for Ensemble/Mosaic and Korman Communities to secure equity and debt capital for the project.

“We are thrilled to be partnering with Ensemble Mosaic and Basis and our relationship lenders on this monumental development. For five generations, the Korman family has been a driving force for equality and opportunity within the Philadelphia region, and we look forward to continuing and growing upon those efforts with the AVE Navy Yard properties,” said Bradley Korman, co-CEO of Korman Communities.