

Loan Sought for NY Rental Project

JDS Development is seeking \$452 million of debt to finance the construction of a 766-unit luxury apartment complex south of the United Nations Building in Manhattan.

The New York company is pitching the assignment mainly to U.S. and foreign banks via advisor **Mission Capital**. JDS evidently is willing to consider either a standard short-term construction loan or a construction/permanent loan.

JDS plans to construct two residential towers facing the East River along the FDR Drive, between East 35th and East 36th Streets. The company acquired the site a few months ago from New York developer **Sheldon Solow** for \$172.5 million. There's been talk that JDS, headed by **Michael Stern**, is also making a play for adjacent parcels owned by Solow.

The buildings, with 40 and 49 floors, will encompass 874,000 square feet and will be connected by a "sky bridge." Construction, which has already begun, is slated to be completed in 2016. The loan-to-cost ratio is about 75%, pegging the total cost of the project at just over \$600 million.

The developer is setting aside 20% of the units as affordable housing to qualify for tax breaks. The rest of the apartments will carry market rents. The complex's amenities will include a pool, a rooftop deck and a fitness center.

Meanwhile, JDS and a partner plan to build a Midtown Manhattan skyscraper with a hotel and apartments at 105-107 West 57th Street, between Sixth and Seventh Avenues. Last month, the JDS partnership acquired the adjacent Steinway Hall building, at 109-113 West 57th Street, for \$46 million. That gave it air rights that can be used to expand the skyscraper's planned height to more than 900 feet from 700 feet. In conjunction with the



purchase and development plans, JDS and its partner, **Property Markets Group** of New York, lined up a \$230 million, one-year loan from **Annaly Capital**. ❖