

## C-PACE Part of Big NY Studio Project

A **Bain Capital** partnership has lined up \$303.5 million of debt from **Counterpointe Sustainable Real Estate** and **Farallon Capital Management** to finance the construction of two large production studios in Brooklyn.

The loans that each lender separately provided to Bain and its partner, **Bungalow Projects**, included the largest commercial Property Assessed Clean Energy financing ever originated in the state of New York. It was also the city's first C-PACE loan tied to new construction. The financing deal closed on Sept. 22.

**Eastdil Secured** advised Bain, of Boston, and New York-based Bungalow on the financing of the ongoing project, which should be completed in mid-2027. It comprises two large television and movie production facilities the partnership is developing under the **Echelon Studios** banner, in the Bushwick and Red Hook neighborhoods.

CounterpointeSRE, of Stamford, Conn., inked two fixed-rate C-PACE loans, totaling \$156 million, with 27-year terms. San Francisco-based Farallon's **Vestibule Holdings** affiliate originated the remaining \$147.5 million of traditional floating-rate construction financing, encompassing two loans with an initial term of three years plus two one-year extension options.

Commercial real estate developers can use C-PACE capital, which is repaid via assessments collected with property taxes, to help finance the construction of buildings that meet certain standards for energy efficiency and sustainability.

In this case, the C-PACE financing was split between an \$88 million loan on the 355,000 sq ft building being constructed in Bushwick and a \$68 million loan tied to the 246,000 sq ft building going up in Red Hook. The Farallon loans on each property were \$83.4 million and \$64.1 million, respectively.

The larger property is slated to have six soundstages and the other will have four. Both will offer space for postproduction offices and set-building areas as well. The LEED-gold designated properties will also have 40-foot clearance heights, top-tier air-conditioning systems that can handle the heat generated by



studio-production equipment, and solar panels that will generate 25% of the power needed at the all-electric buildings. They will offer sweeping views of the surrounding city, which could be useful for filming background scenes.

The Bushwick property, at 242 Seigel Street, is just off Bushwick Avenue and three blocks north of Flushing Avenue. The other property, at 176 Dikeman Street, is 4.5 miles southeast and two blocks from the Red Hook waterfront. ♦