

NEWLY FORMED GSLM CLOSES FIRST DEAL

October, 06, 2008—GSLM Capital Partners said it completed financing on the proposed \$55 million Columbia Hicks apartment complex in Cobble Hill, marking the first development under GSLM's recently launched urban investment fund.

GSLM, a partnership of L&M Development Partners and Goldman Sachs' Urban Investment Group, established an \$100 million urban investment fund in April to develop mixed-income housing in New York and other cities.

"We've been committed to rezoning and redeveloping this site with L&M into much needed mixed income housing since January 2006," said Carrie Van Syckel, a vice president at Goldman Sachs Urban Investment Group. "This particular area of Cobble Hill is a unique community and the sites were prime to be redeveloped, having been underutilized with light industrial activity."

Columbia Hicks is a 149-unit rental complex on Columbia Street, just south of Atlantic Avenue on the Brooklyn waterfront, which includes 50 affordable units. The project, originally proposed in 2007, was scaled down after a series of contentious meetings with community members near the waterfront site. Community activists were initially concerned about the height of the building and potential zoning changes in the area. Part of the project sits on land that the developer acquired from the city, according to Seth Donlin, spokesman for the Department of Housing Preservation and Development.

Citibank is providing the permanent and construction financing for Columbia Hicks. The city Housing Development Corp. provided about \$20 million in bond financing and \$6.4 million in low interest subordinate debt.

Ground breaking is scheduled to begin this month, with completion expected by late 2010. Pre-sales are expected to launch by mid-2009.

Goldman Sachs and Westchester-based L&M previously teamed up on several development deals, including the Aspen, a rental building at 1955 First Avenue and the Kalahari, a luxury condominium at 40 West 116th Street.

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