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Berkeley Investments secures \$56m construction/historic financing

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Berkeley Investments, Inc. has begun construction on the first phase of the Watch Factory project after securing \$40 million in construction financing and \$16 million in federal and state Historic Tax Credit investment financing. Phase 1 will offer 160,000 s/f of "brick-and-beam" office space in a rehabilitated and reused historic complex located along the Charles River. Operating on the site since 1854, the Waltham Watch Co. became the first manufacturer in the world to mass produce pocket watches under one roof. Berkeley is transforming the 400,000 s/f complex into a mix of offices, loft-style apartments and retail uses with riverfront amenities. Phase 1 is on track for a May 2009 completion.

With the first phase underway, Watch City Ventures LLC, a joint venture between Berkeley and The First Republic Corp. of America, has passed a milestone. U.S. Bank has provided construction financing that consists of a combination of construction debt and bridge loan for a portion of the Historic Tax Credit capital. Berkeley worked with Bank of America as the federal Historic Tax Credits investor and Mass. HTCF L.L.P as the state Historic Tax Credits investor.

The Watch Factory is listed on the National Register of Historic Places and all rehabilitation must meet the Secretary of the Interior's Standards for Rehabilitation. Renovations to the New Crescent St. entries will reestablish historical circulation routes through the buildings and create large lobby spaces. To connect tenant spaces, an enclosed pedestrian bridge will be added to the existing complex.

"The Watch Factory renovation is an exciting project that will make creative use of a building that has a rich history in Waltham, and U.S. Bank is proud to play a role in making it happen," said Michael Hussey, senior VP and market manager at U.S. Bank.

"We are delighted to work with Berkeley Investments to help revitalize this important historic landmark for Waltham," said Miles Cary, senior VP at Bank of America. Phase 1 is at 203 and 221 Crescent St.

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