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Sale of Brooklyn's tallest building is magic

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A partnership between the Canyon-Johnson Urban Funds and The Dermot Company has purchased the Williamsburg Savings Bank Building and plans to renovate and convert the landmark 35-story tower into condominiums and ground-floor retail space.

The project, called One Hanson Place, will continue the ongoing revitalization of Downtown Brooklyn into a 24-hour urban community.

Purchased from HSBC, Brooklyn's tallest building has been a feature of the borough's skyline and the Fort Greene neighborhood since 1927.

It is adjacent to Atlantic Terminal, New York City's third-largest mass transportation hub, and near such amenities as MetroTech Center, the Brooklyn Museum of Art, the Brooklyn Academy of Music and the proposed arena for the NBA's New Jersey Nets.

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A copper dome and one of the world's largest four-sided clock towers adorn the historical landmark building, which offers unobstructed views of Manhattan and all of Brooklyn.

One Hanson Place is the first investment for Canyon-Johnson Urban Fund II, a \$600 million closed-end real estate fund managed by a partnership between Canyon Capital Realty Advisors LLC and Earvin "Magic" Johnson's Johnson Development Corporation, both based in the Los Angeles area. One Hanson Place is Canyon-Johnson's second Brooklyn project; CJUF I is an investor in Park Place, a mixed-use development of condos, retail and parking currently under construction in the borough's Park Slope neighborhood.

"We couldn't have found a better project or partner to launch Canyon-Johnson's second urban fund," said CJUF Managing Partner Bobby Turner.

"One Hanson Place will help meet the tremendous demand for market-rate housing and community-serving retail while maintaining the historical integrity of this celebrated landmark building. Moreover, Dermot's extensive track record and commitment to urban development will ensure the success of this great project."

Earvin "Magic" Johnson added, "We are believers in Brooklyn as a place that is economically growing, healthy, entertaining and the place to be. By bringing high-quality residential and retail components together, One Hanson will bring about even further revitalization to the already vibrant Brooklyn community."

Canyon-Johnson's partner, The Dermot Company, has developed more than 4,000 multi-family units over the past 13 years.

"One Hanson is a prime example of the type of urban infill development that The Dermot Company is trying to promote," said William Dickey, President of Dermot.

"We are proud to unite with the Canyon-Johnson Urban Fund in this exciting venture, and we are excited to find a capital partner that shares our vision and commitment: that our project can contribute greatly to the neighborhood growth and business development in downtown Brooklyn. The people and process at Canyon truly define a value added partnership."

The New York City Employee Retirement Funds are among the investors in Canyon-Johnson Urban Fund II and, thus, One Hanson Place. New York City Comptroller William C. Thompson, Jr. said, "One Hanson epitomizes the double-bottom-line agenda we have set forth for the City's retirement funds: to do good for the people of New York and to do well financially for the City's pension plans.""

Financing for the project was provided by Citibank's Community Development Group. "We are pleased to be both an equity investor in Canyon-Johnson Urban Funds and the construction lender for One Hanson Place. Dermot Company and Canyon-Johnson are terrific partners with strong track records of successful large-scale urban developments," said Andrew Ditton, Director of Citibank Community Development.

The architect for the renovation is H. Thomas O'Hara, a New York-based firm specializing in high-rise residential/mixed-use buildings and conversions of existing buildings. Kajima Construction Services Inc., the fourth largest contractor in the world, is managing preconstruction work.

The transaction closed May 16.

Cushman & Wakefield was the seller's broker, and equity financing was arranged by Pantheon Financial. Corcoran Realty will serve as the residential sales team, with units projected to become available for purchase in Summer 2006.

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