

Contact:

Great Ink Communications, Ltd. – 212-741-2977

Roxanne Donovan (Roxanne@greatink.com)

Eric Waters (Eric.Waters@greatink.com)

Francisco Miranda (francisco@greatink.com)

FOR IMMEDIATE RELEASE

Milestone for the NYC Tech Hub as RAL JV Closes Construction Financing and Ground Lease at 124 East 14th Street, Commences Demolition

\$120M Construction Loan from Bank OZK for 21-story Mixed-Use Office Building

NEW YORK, NY – April 9, 2019 – RAL Development Services (RAL) announced two transactions that pave the way for construction of the Tech Hub project at 124 East 14th Street, approved last year through New York City’s ULURP process. RAL, developer of the project through a joint venture with Junius® Real Estate Partners, secured \$120 million of construction financing from Bank OZK and simultaneously entered into a long-term ground lease with NYCEDC. Meridian Capital Group’s Drew Anderman and Alan Blank arranged the financing. RAL plans to commence demolition immediately, and start vertical construction later this Spring on the City-owned site, which has housed a PC Richard & Son retail store.

The upper floors of the 21-story building will feature Class A market-rate space for established, forward-thinking office users, in addition to the lower floors offering a tech-focused digital skills training center, a tech incubator, co-working spaces, event spaces, and an urban food hall. The Tech Hub, the result of an RFP issued by NYCEDC, is expected to create over 500 quality jobs in Union Square, fueling the growth and continued diversification of New York City’s unique tech sector by providing accessible tech training and space for companies to grow and hire within the building.

“This project is incredibly exciting and we’re happy to complete the transactions needed to start



building it,” said Josh Wein, Financial Director of RAL Development Services. “In addition to the multitude of benefits this development provides for the City and its workforce, which have been designed to promote job creation and growth in the technology sector, we’ll be creating the finest modern office building in Midtown South.”

“The project is completely unique, and yet incredibly compelling as both a driver of technological innovation and a state-of-the-art office destination. We’re pleased to see it getting under way,” said Alex Mitzner, Executive Director and partner at Junius Real Estate Partners.

The project secured City Council approval in 2018, the final stage of the ULURP process. Since the Tech Hub was announced in February 2017, NYCEDC and the project’s development team have worked with local elected officials and met with over 40 community organizations to find ways to make the project even more impactful for New Yorkers.

The digital skills training center, operated by Civic Hall, a non-profit focused on using tech for the civic good, will span three floors and serve tens of thousands of New Yorkers a year. The center will feature programming from providers such as Per Scholas, FEDCAP, CUNY, and Mouse. Together, these training opportunities will develop a talent pipeline between New Yorkers and the city’s burgeoning tech ecosystem. In addition to the training facility itself, the Tech Hub will also feature step-up office space for growing companies that have graduated from the Civic Hall, incubator, or co-working spaces that will help foster growth through flexible term length solutions.

The top 14 floors of the 21-story building will offer state-of-the-art, market rate office space designed to attract industry-leading corporate and creative tenants within the tightest submarket in the country. “There is an incredible demand for high-quality office space in the epicenter of Midtown South and this building will offer something that does not exist in that market. The interconnection with the building’s amenities, programming, and access to a highly sought-after labor pool will enhance the desirability of this project,” said Mitch Konsker, Vice Chairman of JLL, who will be leading the leasing effort alongside Benjamin Bass, Dan Turkewitz and Kristen Morgan.

New York City’s tech sector is stronger than ever, and the City is working to create a clear pathway into the growing industry. In 2016, the tech ecosystem set a new employment record of 326,000 jobs, including 175,000 jobs in the tech industry and 151,000 tech jobs in non-tech industries. Already a high-paying industry, total wages paid to workers in the sector doubled since 2010 to reach a record \$18.9 billion in 2016.

About RAL Development Services

RAL Development Services LLC (RAL), <http://ralcompanies.com/>, is a real estate development firm with a three-generation, 38-year track record of success in building complex, high-profile projects nationally and internationally. RAL’s multidisciplinary in-house expertise includes predevelopment and approvals, urban planning, architecture and design, finance, construction management, landscape architecture, marketing and leasing, and property management. RAL operates both as a principal owner/developer and as an owner’s representative, bringing its expertise to residential, commercial, mixed-use, planned communities, Resorts and hospitality, and other property types. RAL prides itself on its dedication to the communities it works with, creating strong and lasting relationships with local constituencies wherever they build, as well as employing union labor and collaborating with MWBE contractors when possible. RAL uses and believes in

cutting-edge processes and technologies, but never substitutes them for the experience, ingenuity, creativity, passion, leadership, and professional judgment provided by its people.

About Junius Real Estate Partners

Junius is a specialized investment unit of J.P. Morgan Wealth Management, a division of JPMorgan Chase & Co. (“JPMC”). Formed in 2011, Junius specializes in the acquisition, development, financing, ownership and operation of special situation real estate opportunities involving commercial, hotel and residential properties. Leveraging the infrastructure and resources of the broader JPMC platform, Junius operates as an investment boutique with a national footprint and focus investing in institutional quality real estate in both primary and secondary markets. Since 2012, Junius has executed investments representing approximately \$2.7 billion in total investment value.

About NYCEDC

New York City Economic Development Corporation is the City's primary vehicle for promoting economic growth in each of the five boroughs. NYCEDC's mission is to stimulate growth through expansion and redevelopment programs that encourage investment, generate prosperity and strengthen the City's competitive position. NYCEDC serves as an advocate to the business community by building relationships with companies that allow them to take advantage of New York City's many opportunities. Find us on [Facebook](#) or follow us on [Twitter](#), or visit our [blog](#) to learn more about NYCEDC projects and initiatives.