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Berkeley Investments Secures \$40 Million in Construction Financing for Watch Factory in Waltham

WALTHAM, Mass.--Berkeley Investments, Inc. announced that it 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 SF of unique "brick-and-beam" office space in a rehabilitated and adaptively reused historic complex located along the Charles River in Waltham, Mass.

Operating on the site since 1854, the Waltham Watch Company became the first manufacturer in the world to mass produce pocket watches completely under one roof, thus making quality watches affordable to a broader population. Berkeley is transforming the 400,000-SF complex into a vibrant 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 Corporation of America, has passed a major 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 Massachusetts HTCF L.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. Phase 1 renovations include new building systems, sandblasted brick walls, exposed wood ceilings and modern finishes combined with attractive historic features such as refurbished metal fire doors. Renovations to the New Crescent Street entries will reestablish historical circulation routes through the buildings and create gracious lobby spaces. To better connect tenant spaces, an enclosed pedestrian bridge will be added to the existing complex. River views abound and landscaped courtyards with walkways and seating areas create a campus-like environment. Phase 1 will also offer a Waltham Watch Company history exhibit and fully-equipped fitness center.

"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 E. Hussey, Senior Vice President and Market Manager at U.S. Bank. "We're pleased to be able to provide a variety of financing options that will help Berkeley make this project a reality".

“We are delighted to work with Berkeley Investments to help revitalize this important historic landmark for Waltham,” said Miles Cary, Senior Vice President at Bank of America. “The reuse of the Watch Factory is exciting and epitomizes the possibilities created by the Historic Tax Credit program,” continued Cary.

Phase 1 of the Watch Factory is located at 203 and 221 Crescent Street. The site is less than two miles from the Massachusetts Turnpike, less than three miles from Route 128/I-95 and within walking distance of the Waltham Commuter Rail Station on Moody Street. Bus routes pass by the property and Berkeley will partner with the 128 Business Council to provide a shuttle bus service to nearby Commuter Rail Stations. Phase 1 has over 535 surface parking spaces available for office use. The Watch Factory is also located within walking distance of “Restaurant Row” and other amenities on Moody Street and has direct access to the Charles River walking and bike path.