

Brooklyn Re-Boot:

The Pitkin Theater Redevelopment



For 40 years, the Loews Pitkin Theater in Brownsville, Brooklyn was a luxurious escape in a hard-working neighborhood. By 2007, the 157,000 square-foot movie palace had been closed for most of another 40 years. A furniture store in the grand old lobby had failed. So had a church.

When POKO Partners purchased the building, it had been empty for so long that the roof had collapsed. POKO, a developer specializing in low-income areas, envisioned transforming the site into affordable housing. Then the real estate market collapsed. With financing no longer available, POKO called Next Street.

Next Street's capital team helped the developer reconceive a stalled project from affordable housing to retail and a new charter school.

Acting as Investment Fund Manager, Next Street brought seven parties to the table in a structured transaction using New Markets Tax Credits and Historic Tax Credits. Key to the transaction was revising the project scope from affordable housing – which is already available in the neighborhood – to 65,000 square feet of new retail space and a charter school for 1,200 students.

The project has generated 120 construction jobs, and retailers have begun to sign up for the commercial space: Brownsville's first significant retail expansion since the furniture store on the same site closed a generation ago. Stores will include local businesses as well as national chains. When construction is completed in 2011, the LEED-certified complex will bring 150 new full-time jobs to Brownsville, where unemployment is over 20%.