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**Taconic Investment Partners and Denham Wolf Acquire
Former American Bank Note Building in the Bronx;
Plan Multi-Use Destination for Art, Culture, Food**

***Redevelopment of Hunts Point Landmark to Be Designed
By Preservation Specialist Beyer Blinder Belle***

NEW YORK CITY, January 16 -- Taconic Investment Partners LLC and Denham Wolf Real Estate Services, Inc. have acquired the historic 400,000-square-foot American Bank Note Building in the Hunts Point section of the Bronx, and will redevelop the property primarily as an office center for arts organizations and design firms, and nonprofit and community groups. A retail food market also is planned.

A fund managed by DLJ Real Estate Capital Partners, Inc., a unit of Credit Suisse, also is a participant in the new ownership; i-Star Financial and the New York City Investment Fund (NYCIF) provided financing. Evan Pariser, managing director of Holliday Fenoglio Fowler, LLP in New York, arranged financing.

“This is a major step in the continuing economic transition of Hunts Point that started with the relocation of the various wholesale food markets to that area,” says Charles Bendit, co-founding partner of Taconic.

Maria Gotsch, president of NYCIF, the economic development arm of the Partnership for New York City, adds: “The redevelopment of the American Bank Note

Building will stimulate business and cultural activity in this historic yet underutilized property while strengthening the continued resurgence and diversification of the South Bronx economy.”

The 96-year-old building, which is under consideration for official city landmark designation and is one of the most familiar sights along the Bruckner Expressway, was acquired for approximately \$32 million from the Blauner family, its owner since the American Bank Note Company left the property in 1985. Stock certificates, stamps and foreign currency were engraved and printed there for nearly eight decades.

An extensive adaptive re-use program will be implemented to create loft-type studio and traditional office space. When completed, the redevelopment program is anticipated to have generated more than a thousand permanent jobs in the South Bronx.

The celebrated architectural firm of Beyer Blinder Belle, whose New York preservation projects include the Ellis Island Museum, Grand Central Terminal and the Apollo Theater, is designing the facility.

The expansive property is centered at Tiffany Street and Lafayette Avenue, and also is bounded by Barretto Street and Garrison Avenue.

Taconic Investment Partners is a major owner of commercial and residential properties, including New York City’s second largest office building, the 2.8-million-square-foot 111 Eighth Avenue. Active in the Bronx, the firm owns Eastchester Heights, a five-square-block, 1,410-unit middle-income apartment complex off Boston Post Road, in a joint venture with ING Clarion.

Denham Wolf is among New York’s best-known real estate consulting firms for nonprofit arts, culture, and human service organizations, with many well-known theater

and dance companies, community-based organizations, and religious institutions among its clients. The firm will also oversee the marketing of the property.

“We look forward with great enthusiasm to establishing a major cultural focal point for New York and the region, with emphasis on the visual and performing arts and a retail food center comparable to Manhattan’s Chelsea Market,” says Mr. Bendit.

Noting that the Chelsea Market also occupies a former industrial complex, one that served the National Biscuit Company as a cookie factory, Mr. Bendit says the redevelopment of the Bank Note building will be “an example of adaptive re-use that is intended to keep the needs of the community in mind, making a positive impact both culturally and economically.”

Jon Denham, a partner in Denham Wolf, describes the planned repositioning of the Bank Note building as focused on the creative sector, observing that the property comprises three distinct adjoining buildings, each especially well suited to different types of use.

“Portions of the property offer very high ceilings, wide column spacing, and enormous windows, along with rows of “saw-tooth” roof skylights, creating an abundance of natural light that is appealing for the presentation of visual arts and other design uses,” he says. “Other spaces in the property that are suitable for office uses also feature high ceilings, large windows, and remarkable City views. The building also presents opportunities to incorporate sustainable design such as energy efficient features into the renovation.”

Paul Wolf, another partner at Denham Wolf, points out that two high-profile community institutions -- Sustainable South Bronx and the Bronx Academy of Arts and

Dance (BAAD!), founded by the noted choreographer Arthur Aviles -- are currently tenants in the Bank Note building. And The Point, a 13-year-old non-profit community development corporation, is located directly across Barretto Street.

“The creative energy is already here,” Mr. Wolf says. “Our intent is to nurture that environment and attract people who appreciate spectacular industrial architecture and whose goals and artistic missions will contribute to the positive economic development of the community and complement the City’s Hunt’s Point Vision Plan.”

The redevelopment is scheduled to begin this winter, with occupancies starting in late spring of 2008.

About the Joint-Venture Partners

Since its inception in 1997, Taconic Investment Partners LLC has acquired and developed more than eight million square feet of office properties in New York City, Chicago, Washington, D.C. and Atlanta. In addition, it recently bought and is renovating two large residential complexes in Brooklyn and the Bronx, is co-developer of the new luxury high-rise Caledonia condominium and rental development along the High Line in Manhattan, has assembled significant land holdings in Coney Island (Brooklyn) for residential development, and just completed a prime site in the Meatpacking district of Manhattan leased by Apple Computer. For more information visit:

www.taconicinvestments.com.

Denham Wolf is a real estate consulting and development firm that specializes in representing the not-for-profit sector nationally. Denham Wolf helps clients plan for, acquire, and build real estate. Founded in 1998 by Jonathan Denham and Paul Wolf, the

firm has worked with more than 100 organizations to plan and develop in excess of a million square feet of space. Please visit www.denhamwolf.com.

About NYCIF

The New York City Investment Fund is the vision of Henry R. Kravis, founding partner of Kohlberg, Kravis, Roberts & Co., who serves as its Co-Chairman, along with Russell L. Carson, General Partner of Welsh, Carson, Anderson & Stowe. NYCIF has raised over \$100 million to mobilize the city's world financial and business leaders to help build a stronger and more diversified local economy. It has built a network of top experts from the investment and corporate communities who help identify and support New York City's most promising entrepreneurs in both the for-profit and not-for-profit sectors. NYCIF is the investment and the economic development arm of the Partnership for New York City (www.pfnyc.org), the city's largest business organization. www.nycif.org

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1/16/08