

REAL ESTATE WEEKLY

Vol. 62, No. 40 • 28 pages in 4 sections

WEDNESDAY, AUGUST 2, 2017

\$2.50

FINANCE

Firms react to backlog of EB-5 cases

Trio of finance leaders hatch program to redeploy foreign money caught up in mounting backlog of visa applications from investors.
Page A9



Alison Berman,
Greystone EB-5.
Page A9

DEALMAKERS

TFC to lead massive LIC development

Neighborhood pioneer will build 1.5M s/f community with offices, apartments and industrial space (below).
Page B1



RESIDENTIAL

Eviction friction among tenants, landlords

Move to provide free legal services to some city tenants draws ire of New York City's multifamily landlords.
Page C1

Mayor gets 'A' for housing effort

The city's Building Congress has given Mayor Bill de Blasio a pat on the back for effort in trying to build more affordable housing.

"Shortly after taking office, Mayor de Blasio laid out an ambitious affordable housing agenda and promised to provide the resources necessary to get there," said New York Building Congress president and CEO Carlo A.

Scissura. "Despite a number of obstacles, including the temporary expiration of the 421a tax incentive program and the resistance he has faced in enacting portions of his rezoning plan, he and his team have really risen to the challenge thus far."

According to analysis by the Building Congress, despite a year-long lapse of an important New York State

tax incentive program and community opposition to a number of the City's affordable housing initiatives, New York City is roughly on pace to meet de Blasio's ten-year target for the construction of new affordable units throughout the five boroughs.

Reviewing city housing data from January 2014 through June 2017, NYBC found that New York City

produced a total of 25,342 new affordable housing units across the five boroughs.

That represents approximately 32 percent of the Mayor's construction target of 80,000 new affordable housing units over the course of a decade. The new construction target was first announced as part of the Mayor's Housing New York Plan released in 2014.

The Housing New York Plan calls for the creation or preservation of 200,000 units of affordable housing over a ten-year period, with 40 percent of that total being new construction. Of the 77,651 affordable units financed to date, 33 percent are comprised of new construction starts while the remaining



MAYOR BILL De BLASIO

two-thirds represent existing units where the City has preserved and/or extended their affordability.

Approximately 39 percent of new affordable construction starts occurred in the Bronx over the entire three-and-a-half-year period, fol-

Continued on Page A7



Photo by Howard Wechsler

The 2017 CREW New York Founders' Award recipient, selected by president Michele O'Connor, was Christine Chipurnoi, MS, CPCU, RPLU, Senior Vice President, Wells Fargo Insurance Services USA, Inc. The Founders' Award recipient represents the finest qualities of CREW New York, consistently supports the organization's mission and goals and does so with exceptional generosity in sharing her time and talent in support of other women. It has been given out annually since 1994. L to R: CREW NY President-Elect Jaimee Nardiello, Zetlin & DeChiara; 2016 President Theresa Garelli, Astor Title Services; 2015 Co-President Christine Chipurnoi, Wells Fargo; 2017 President Michele O'Connor, Langan.

Fortress closes on \$200M deal for Palace Theater retail units

BY HOLLY DUTTON

Fortress Investment Group has purchased two commercial condo units at the historic Palace Theater in Times Square for \$200 million.

The deals went into contract in August of 2015 but didn't close until last month.

The two condo units were purchased from The Nederland Organization, a group that operates historic theaters, in separate deals, with one selling for \$162.8 million, and the other for \$37.1 million.

A spokesperson for Fortress did not respond to a request for comment by press time.

In December of 2015, MaeField Development paid \$540 million to purchase the leasehold interest in 1568 Broadway, home to the 468-room DoubleTree Hotel and the Palace Theater.

The acquisition was the

first step in a \$2 billion redevelopment of the property into "a premier cultural, entertainment, retail and hospitality experience in the #1 tourist destination in the world," said MaeField at the time.

Part of the development will include raising the historic theater 29 feet in a multi-million dollar restoration, opening up 10,000 s/f of retail underneath that will include three spaces in the basement and one on the ground floor.

The redevelopment will also include a renovated luxury hotel, prime street-front retail and entertainment space, a massive high-resolution LED screen for advertisements, and of course the restoration and enhancement of the Palace Theatre.

MaeField Development is also a stakeholder in the 20 Times Square hotel and entertainment development.



1568 Broadway rendering

Tenants sue over fake renovations

BY CHRISTIAN BAUTISTA

Bronstein Properties, which is facing a class-action lawsuit from over 60 tenants, is receiving millions in tax benefits for allegedly non-existent renovations in its rent-regulated apartments.

The firm, which owns more than 100 rent-regulated buildings, has \$4.3 million in active J-51 tax abatements, according to data provided by non-profit group Housing Rights Initiative to *Real Estate Weekly*.

The J-51 benefit is provided to property owners who renovate old apartment buildings. Bronstein's tenants claim that the firm fabricated improvements in its properties. The firm did not respond to a request for comment.

For its data, HRI collated information from the Department of Finance. The group's list includes 45 properties, the majority of which

are in Queens. About half of the properties already had J-51 tax benefits when bought by Bronstein.

HRI, whose work pushed forward the class-action lawsuit against Bronstein, has also contributed to cases against landlords including Stellar Management and the Parkoff Organization.

The property that provides the most financial benefit for Bronstein is 1780 West 3rd Street in Gravesend, Brooklyn. The six-story, 98-unit building comes with \$863,167 in J-51 abatements. Meanwhile, 90-19 88th Avenue, a four-story property in Woodhaven, Queens, generated \$404,960 in J-51 tax benefits. Both properties did not have J-51 benefits when acquired by Bronstein.

"Bronstein is bludgeoning our affordable

Continued on Page A7

Macmillan moving operation downtown

Silverstein Properties announced that Macmillan Publishers has signed a 20-year lease to occupy 261,000 s/f at 120 Broadway, the 40-story, 1.9 million-square-foot Downtown office tower.

Macmillan, a group of companies that publishes a range of works, will relocate in early 2019 from multiple locations, including the Flatiron Building, to occupy floors 22 through 26 of 120 Broadway.

"We are thrilled that 120 Broadway will serve as Macmillan's home for the next two decades," said Roger A. Silverstein of Silverstein Properties. "In making the move Downtown, Macmillan joins a growing list of leading publishing, media and creative firms that have been attracted to Lower Manhattan for its vibrant mix of residences, open spaces, shopping, dining, cultural attractions and transit options."

"We are delighted to be moving to 120 Broadway," said Andrew Weber, COO of Macmillan Publishers. "The move will be great for our people and our planned growth, and the architectural

heritage of 120 Broadway means we will be moving from one of New York City's great iconic buildings to another."

120 Broadway was the largest office building in the world when it opened in 1915. Known as the Equi-



ROGER SILVERSTEIN

table Building, the property features a grand lobby with high ceilings, 50,000 s/f floor plates and in-building subway access.

Spanning a full city block bordered by Broadway, Nassau, Pine and Cedar Streets, 120 Broadway is home to such tenants as American Lawyer Media, Beyer Blinder Belle, SIFMA, Strategies for

Continued on Page A7



120 Broadway

LEASES

NEW YORK

Joseph P. Day Realty Corp announced that Kochman Lebowitz & Mogil, MD, LLP has signed a 20-year lease for 10,175 s/f at 1301 Avenue J, Brooklyn. **Craig S. Berman**, senior vice president, and **Michael Gasparino Jr.** of Joseph P. Day Realty Corp. represented the tenant. The landlord 1301 Avenue J LLC was represented inhouse.

GHP Office Realty, LLC, has leased 41,675 s/fof medical space to six different medical-related tenants at both 2649 and 2651 Strang Boulevard, Yorktown Heights, NY. 2649 Strang Blvd is a Class A 66,000 s/f medical/office building and 2651 Strang Blvd is a 100,000 s/f flex, medical, office and technol-ogy building that are part of the 26-acre Northern Westchester Executive Park (NWEF). **Jamie Schwartz**, executive vice president of GHP, represented NWEF in all the transactions. The transactions were:

- Northern Westchester Facility Project, LLC, leased 15,225 s/f for 15 years on the ground floor at 2651 Strang Blvd for a state-of-the-art surgery center. The partners of the tenant include CareMount Medical, PC, the largest independent multispecialty medical group in New York State owned by Mt. Sinai Hospital. Northern Westchester Facility Project, LLC was represented by **Al Gutierrez** and **Ian Ceppos** of **Colliers International CT LLC**.

- ENT & Allergy Associates, LLP relocated from 5,338 s/f on the second floor of 2649 Strang Blvd into 8,691 s/f of state-of-the-art medical and audiology space on the ground floor of 2651 Strang Blvd. **Laurence London** of **Laurence London & Co, LLC** represented ENT & Allergy Associates.

- Northern Westchester County Dental, P.C., a dental spa providing family, cosmetic, orthodontics and specialty dental services, renewed its 6,300 s/f lease on the third floor of 2649 Strang Blvd for 10 years.

- New York Presbyterian Medical Group-Hudson Valley Hospital leased an additional 5,338 s/f of medical space on the second floor of 2649 Strang Blvd for 10 years. This space is in addition to the administrative office space the hospital previously leased at the building. New York Presbyterian now occupies 25,000 s/f in the property.

- Dialysis Clinic Inc., a leading dialysis provider that employs 5,000 people and serves over 15,000 patients within 28 states, leased 3,800 s/f on the second floor of 2649 Strang Blvd to educate dialysis patients on how to perform dialysis at their home. This space is in addition to DCI's dialysis clinic on the first floor of the building.

- David L. Lerner, DDS, P.C., a holistic dentistry practice, renewed its 2,321 s/f on the second floor of 2649 Strang Blvd.



TOM CITRON

Newmark Knight Frank negotiated a renewal for 6,768 s/f of ground-floor retail space for Bank of America on the northwest corner of 75th Street and 1066 Lexington Avenue in Manhattan. They have also maintained their additional 2,120 s/f of usable lower-level space. NKF Executive Managing Director **Tom Citron** and Associate **Ethan Berenzweig** represented the landlord, Patrician Associates, while **CBRE** represented the tenant. Located in a residential tower, the space is positioned in an ideal area for foot traffic, and is convenient to a number of different areas. The building is steps way from a variety of restaurants, hotels and famous landmarks, including Central Park and the Metropolitan Museum of Art.

SVN | Realty Three Advisors LLC announced the lease of 1,200 s/f at 234 Route 25A, East Setauket, to The First National Bank of Long Island headquartered in Glen Head, NY. FNBLI signed a long-term lease. **Lorraine O'Hara** and **Aric Schachner** of SVN | Realty Three Advisors represented the landlord. **Ray Haag** of **TRS** represented the tenant.

NEW JERSEY

NAI James E. Hanson announced the following leases:

- 2,375 s/f of office space to The Biber Partnership AIA at 480 Morris Avenue in Summit, N.J. **Andrew Kirshenbaum** and **Tom Ryan** represented the landlord, Lindabury, McCormick, Estabrook & Cooper, P.C., in the exclusive listing. 480 Morris Avenue is a two-story, 12,000 s/f office building on one of Summit's busiest thoroughfares.

- At 99 Murray Hill Parkway in East Rutherford, Pittsburgh Glass Works LLC renewed its lease for 24,000 s/f and EC Hair renewed its lease for 16,438 s/f. **Ken-neth Lundberg**, SIOR, **Steve Pastor** and **Patrick Lennon** represented the tenants and landlord, 99 Murray Hill Parkway, Inc., in the transactions. **Thomas Vetter**, SIOR, and **Jeff DeMagistris**, SIOR, assisted in negotiating the lease renewal for the EC Hair transaction. Situated on 8.4 acres in the heart of the Meadowlands, 99 Murray Hill Parkway is a 142,624 s/f industrial building located just south of MetLife Stadium.

- 3,337 s/f of Class-A office space to Huron Valley Financial at Boulevard Commons Office Center, 1160 Parsippany Boulevard in Parsippany. **Josh Levering**, SIOR, and **Nicholas B. DePaolera** represented the landlord, Micro Strategies dba Genelle II, LLC in the transaction. Boulevard Commons is also currently managed by NAI Hanson Management. Huron Valley Financial is a Michigan-based mortgage banker. They will utilize the space as a front office for the production and administration of loans and loan documentation.

- 29,770 s/f of space to Katz's Delicatessen at a 145,000 s/f industrial building in Carlstadt, N.J. **Steve Leitner** represented the tenant. The landlord, 100 Group Ind., LLC, was represented by **Scott Belfor** and **Kevin Dudley** of **CBRE**. Since 1888, Katz's Delicatessen has been an institution on the Lower East Side of New York City serving thousands of residents and tourists each week at their 205 East Houston Street location. Its newly launched e-commerce store enables them to ship their products to customers across the world. Katz's sought out a space with

direct access to New York City and major arteries to the west to house their offices, warehousing and distribution operations. The lease in Carlstadt, N.J. provides them with an ideal location to support their physical New York City location while also offering them the storage and distribution space to quickly fulfill e-commerce orders.

CycleBar, the indoor cycling franchise, has leased space at Valley & Bloom in Montclair, announced **Colliers International NJ LLC Inc.** . In total, seven retailers have signed leases at LCOR's mixed-use redevelopment at 34 Valley Road. Colliers' **Nancy Erickson**, Executive Managing Director and **Kelly Bayer**, Associate Director serve as exclusive agents for Valley & Bloom's 20,000 s/f street-level retail componen, of this newly completed two-story mixed-use development. The project also includes residential and professional office components in these two buildings, which sit adjacent to the Marriott MC Hotel under construction. CycleBar will occupy 2,498 s/f.

Levin Management announced the following leases:

- The MAX Challenge leased 3,000 s/f at the 419,000-square-foot Blue Star Shopping Center in Watchung. LMC Leasing Representative **E.J. Moawad** negotiated the lease on behalf of Blue Star Shopping Center. **Sitar's Joe AmecAngelo**, who was with RJ Brunelli at the time of the lease signing, served as tenant broker in the transaction.

- QuickChek Center in Bayonne is fully leased with the addition of Yi Sushi restaurant, announced **Levin Management Corporation (LMC)**. The North Plainfield, N.J.-based commercial real estate services

firm serves as exclusive leasing and managing agent for the property. Yi Sushi's new QuickChek Center location will be the third for this locally owned chain, according to **E.J. Moawad**, the LMC leasing representative who arranged the 995 s/f lease. The company currently operates in Hoboken and at another location within Bayonne.

Alfred Sanzari Enterprises announced the following leases:

- Insurance solutions provider Agam Capital Management leased 3,400 s/f of office space at Glenpointe Centre West in Teaneck. Located at 500 Frank W. Burr Blvd., the property is part of the mixed-use Glenpointe complex, developed, owned and operated by Alfred Sanzari Enterprises. The transaction was negotiated in-house by **Jerry L. Barta**, director of leasing and marketing, along with the **Cushman & Wakefield** agency team of **Richard Baumstein**, **Marc Graham** and **Christian Politan**. The tenant, which is relocating from Saddle Brook, was represented by **CBRE's Reuben Torenberg**.

Three law firms renewed leases at Court Plaza South in Hackensack. Located at 21 Main Street, Court Plaza South is part of the three-building Court Plaza office complex, owned and managed by Alfred Sanzari Enterprises. The transactions were negotiated in-house by **Stephen C. Jennings**, vice-president of leasing and marketing.

- Archer P.C.renewed its 30,300 s/f lease. Archer was represented by **Jack Fatigati** of **The Garibaldi Group**.

- Litigation firm Kaufman Dolowich & Voluck LLP renewed its lease for 7,500 s/f. **Kevin J. Murphy** and **Peter T. Rossi** of **Newmark Knight Frank** served as tenant's broker.

- General practice firm Springstead & Maurice LLC, which occupies 2,500 s/f, also renewed its lease at the mirrored-glass complex.

- Investment company Aviary Capital Enterprises renewed its 5,100 s/f lease at Glenpointe Centre East (300 Frank W. Burr Blvd.). Jerry Barta represented the landlord inhouse. The company was represented in the transaction by **Frank Gunsberg** of **Colliers International**.

- Nitto Inc., a provider of technology-based products, renewed its 4,900 s/lease at Glenpointe Centre East. **Naoki**

Yamaguchi of **Relo Redac Inc.** represented Nitto Inc. in the transaction.

- People's United Equipment Finance Corp. – specializing in financing and leasing equipment in the construction, transportation and waste industries – has renewed its 4,700 s/f lease at Glenpointe Centre East. The tenant was represented by **Graham "Chip" Conklin** of **Savills Studley**.

- Compass Maritime Services LLC, one of the pre-eminent ship brokerage firms in the United States, renewed its 2,600 s/f commitment at Glenpointe Centre West (500 Frank W. Burr Blvd.). **Roger Cantor** of **Cornerstone Real Estate Group** represented the tenant in the transaction.

- Computer software company RSD America Inc. renewed its 2,500 s/lease at Glenpointe Centre East. The company was represented by **Mike Walters** of **NAI James E. Hanson**.

Key Properties announced the following leases:

- Famous Footwear has leased approximately 7,000 s/f for a new location at Hanover Crossroads in Cedar Knolls. The global, brand-name shoe retailer joins a lineup of high-profile tenants at the 107,000 s/f shopping center, currently under development by Key Properties. **Jerry Welkis** of **Welco Realty Inc.**, exclusive leasing agent for Hanover Crossroads, arranged the long-term lease. **David Dunkelman** of **Soloff Retail** represented the tenant.

- Sky Trading LLC has signed a long-term lease for 11,300 s/f at 150 Commerce Road in Carlstadt, announced **Key Properties LLC**, owner of the fully leased, 30,000 s/f industrial building. The company, which distributes high-end wigs and other hair pieces, including extensions, will relocate its operations to the property from South Carolina. **Troy Wisse** of **Lee & Associates** negotiated the transaction; Jack Zakim of Zakim & Zakim P.C. provided legal counsel for the tenant.

JLL has completed seven office transactions, totalling 31,725 square feet, and three industrial transactions, totalling 12,020 square feet, at 600 Meadowlands Parkway in Secaucus, New Jersey, for the building owner Prologis Inc. Prologis was represented by **Brian Golden**, executive vice president, and **Harold Imperatore**, associate, with JLL. They worked closely with **Jason Tenenbaum**, leasing manager, with Prologis.

- The office transactions, which totalled 31,725 s/f, included renewals and new deals for the following companies: Panalpina Inc., VCPB Transportation, Hexim Pharmaceuticals, Kirkwood Printing Co., IMPAC Inc., Biolandes Inc., and Metro City Supply Chain.

- JLL also facilitated the renewal of 12,020 s/fof flex space. The tenants for these units included Fellers Inc., Public Service Enterprise Group and Giza Technologies Inc.

Denholtz Associates announced that Miami Freight and Logistics Services, Inc. has signed a lease renewal for 9,800 s/f of space at 140 Ethel Road West in Piscataway, N.J. Founded in 2010, Miami Freight and Logistics Services, which also operates under the name Miami Global Lines, utilizes the space as its headquarters location. 140 Ethel Road West is a single-story, 108,875 s/f industrial flex building situated at exit 5 of I-287. **Kristine B. Hurlbut**, Senior Vice President of Leasing at Denholtz Associates, announced the lease. **Jaime Zimmer** of **Zimmel Associates** represented Denholtz Associates and the tenant in the transaction.

Bussel Realty Corp. announced Haz International has leased 10,608 s/f at 60 Campus Drive in Raritan Center, Edison, New Jersey. **Manny Judah**, vice president of BRC, represented Haz International in the transaction. The landlord, Federal Business Centers, was represented in-house. Haz International will utilize the facility for its import and export business, and the warehousing and distribution of its perfumes and cosmetics to customers in the New York metro area. Part of Campus Plaza, 60 Campus Drive is located in Raritan Center in Edison, New Jersey, near Exit 10 of the New Jersey Turnpike.

CAN YOUR BROKER DO THIS?

\$19,000,000 CONSTRUCTION FINANCING 24-MONTH LOAN FLOATING RATE BALANCE SHEET LENDERS

**Element88
Williamsburg, Brooklyn**
Luxury Condominium Development
33 Residential Units
5,000 SF Retail
25 Parking Spaces

Sean Robertson | Associate
646.502.3434 | srobertson@meridiancapital.com

MeridianCapital.com

**MERIDIAN
CAPITAL GROUP**
AMERICA'S MOST ACTIVE DEBT BROKER

