

Leasing and Sales News: Well-Designed Deal in SL Green's Brooklyn Prize

BY **DANA RUBINSTEIN** | 7:07 PM JANUARY 20, 2009 | TAGS: REAL ESTATE SL GREEN

Michael Van Valkenburgh will soon be able to descend 11 flights of stairs, walk outside 16 Court Street's plate-glass doors, turn left and in five minutes find himself within Brooklyn's most ambitious public project, which just so happens to be of his design—Brooklyn Bridge Park.

The eponymous **Van Valkenburgh Associates** signed a 15-year lease on Dec. 23 for 12,216 square feet, the entire 11th floor of **16 Court Street**, which **SL Green** purchased in 2007 for \$107.5 million.

"It's a notable coup for downtown Brooklyn," said Joe Chan, president of the Downtown Brooklyn Partnership. "Van Valkenburgh Associates is one of the country's premiere landscape architecture firms."

At the end of March, Van Valkenburgh will leave behind 7,000 square feet near Union Square for Brooklyn's tallest commercial building, according to **Ted Rotante** of **FirstService Williams**, who represented the tenant. The deciding factors in Mr. Valkenburgh's choice of Brooklyn? Most of his 30 workers live there; he has an option to expand in his lease; and, said Mr. Rotante, the architect just moved his domestic operations to the borough, too.

City records indicate that on June 25, Mr. Van Valkenburgh bought a co-op at One Pierrepont Street, just five blocks from his future place of work. (Mr. Van Valkenburgh could not be reached for comment.)

But perhaps the most important factor in closing the deal was the flexibility of SL Green, which, said Mr. Rotante, "really reached for the tenant." Asking rents for the building are in the low-to-mid- \$30s; taking rents were likely a bit lower; and the tenant got "a lot" of money for improvements.

SL Green's first Brooklyn investment was in a sorry state when the real estate investment trust bought it in 2007. "I think [calling it Class B] might even be generous," said SL Green's leasing chief, **Steven Durels**. "It had really been allowed to deteriorate over the years, with no real capital spent on it."

SL Green has since invested close to \$20 million upgrading the building, which is now 22 percent vacant. The REIT was represented by in-house broker **Larry Swiger** and CB Richard Ellis' **Gary Kamenetsky**.

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16 Court Street.

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