

CUNY Readies Brooklyn Project In Partnership With Ratner

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BY MICHAEL STOLER - Special to the Sun

With all the hoopla surrounding the Atlantic Yards in Brooklyn, another significant development has been cruising stealthily below the real estate radar: The City University of New York and Forest City Ratner Companies plan to begin construction of a 1 million-square-foot mixed-use tower in the heart of downtown Brooklyn as soon as next year.

The New York City College of Technology, the largest public school of its kind in the state, will be the backbone of downtown Brooklyn's renaissance — and a subtle reminder that the biggest players in the city's real estate industry are nonprofit and educational institutions.

This CUNY college, to be located at 300 Jay St. in the MetroTech Center, will occupy an entire city block bounded by Jay, Johnston, and Tillary streets. The recent rezoning of the downtown area is paying off: A 1 million-square-foot building now can be erected in an area that heretofore sustained nothing more than dollar discount stores.

The presence of Forest City Ratner makes the deal a significant public/private partnership. The first eight floors will house classrooms and a majority of the urban college campus. The upper floors will house a luxury residential condominium tower. "Nonprofits comprise an essential and vibrant part of the expanding New York City economy, both directly in the fields of technology, health care, and higher education, but also indirectly by providing infrastructure, culture, entertainment, and educational benefits to the millions living and working here," the national head of the real estate and REIT practice at Greenberg Traurig LP, Robert Invanhoe, said.

The deal-making of CUNY alone could set real estate records in any other American city. In August, the new CUNY Graduate School of Journalism moved into the third and fourth floors of the former New York Herald Tribune building on 230 W. 40th St. between Seventh and Eighth avenues.

"The building will serve as the inaugural home for both the Graduate School of Journalism and the City University Research Foundation," the CUNY chancellor, Matthew Goldstein, said. "Plus, it will provide office space for many of the financial management functions at the university. The rest of the space is leased to private corporations providing a cash flow for operating expenses."

The growing needs of nonprofit institutions, coupled with underutilized and obsolete facilities and skyrocketing real estate values, has caused many of them to rethink and redirect their real estate strategies.

The result: Many nonprofits have sold off real estate to raise cash in order to redeploy the proceeds into more modern and efficient facilities — often in less valuable locations. Developers of residential real estate have often swept in where schools and nonprofits once stood.

In May, the 92nd Street Y announced that as part of a multi-year strategic planning process it had retained CB Richard Ellis to sell its building at 35 W. 67th St. Last week, philanthropist, financial advisor, and investment manager William E. Macaulay, a 1966 CUNY Honors College graduate, announced a \$30 million donation, the largest in the history of CUNY. The building will become the permanent home for the CUNY Honors College.

"The property on 67th Street is one of the cultural hubs of New York City and allows the new home of the Honors College to create the necessary programming connected with cultural institutions, seminars, and laboratory learning," Mr. Goldstein said. "Our honors students will have endless opportunities."

In August, residents began moving into the Towers, the first residence hall built on the campus of the City College of New York. The 180,000-square-foot, 11-story tower, with 164 units, is located on the southeast corner of the campus at St. Nicholas Terrace and West 130th Street. It will provide accommodations for 600 students and include a limited number of apartments for faculty. The project is another public/private partnership with funding raised through the capital markets. The land under the building is owned by the Dor-

mitory Authority of State of New York and is being leased to Educational Housing Services Inc., a nonprofit organization that provides privatized student housing throughout New York City.

To finance construction, EHS borrowed \$59 million of 30-year bonds through the Dormitory Authority to be repaid through the residence hall's rental income. Once the bonds have been repaid, the facility will be transferred to CUNY.

In September 1993, CUNY's Borough of Manhattan Community College received the largest donation ever made to a community college: Fiterman Hall, donated by Miles and Shirley Fiterman. The building is located at 30 West Broadway (between Park and Barclay streets), just a few short blocks from the school's main building.

The college plans to raze the building, which was damaged beyond repair as a result of the collapse of 7 World Trade Center, early next year. The college has retained the architectural firm of Pei, Cobb & Freed to design a new Fiterman Hall. The early plans for the new 400,000-square-foot, 15-story hall show the building will provide the college with 74 new classrooms and laboratories, 129 faculty offices, plus a café, art gallery, and student lounge space.

Funding is coming from public agencies, including the Lower Manhattan Development Corporation, and insurance settlements.

The city's most fashionable students get to live in new dormitories as well. In August, 1,100 students at the Fashion Institute of Technology will be in a 15-story former manufacturing and office building at 406 W. 31st St. in the Hudson Yards section of Manhattan. FIT paid \$48 million and spent \$64 million to renovate the building into 493 apartments for students. The 320,000-square-foot, 100-year-old building was gutted before it was transformed into accommodations for students and counselors. May marked the official opening of the NYU School of Medicine's Joan and Joel Smilow Research Center, one of the largest additions to Midtown Manhattan's eastern skyline in a half-century. The 13-story state-of-the-art research facility is also the first major addition to the campus of NYU Medical Center in more than a decade. The 230,000-square-foot research center is located at the southwest corner of the campus, near 30th Street and the FDR Drive. Early next year, Weill Cornell Medical College's new Ambulatory Care and Educational Building — the institution's first clinical facility — will open its doors. The 13-story, \$230 million medical complex will serve as the new focus for patient care and education at the Medical College's campus. The new facility is located on 70th Street and York Avenue between 70th and 71st streets.

This summer, demolition began on the site of former mixed-use, four-story retail and rental buildings on First Avenue between 71st and 72nd streets. New York Cornell Medical Center plans to build a 19-story building to house employees and medical offices.

Construction also has begun at the site of the old Beekman Theater at Second Avenue and 66th Street. The 52-year-old theater and adjacent buildings occupying the entire blockfront on Second Avenue have been owned since 1989 by SKI Realty, a unit of Memorial Sloan-Kettering Cancer Center. The cancer center plans to build a new high-rise facility for breast cancer treatment and imaging.

Memorial Sloan-Kettering Cancer Center announced in May a commitment from the chairman of Boston Properties, Mortimer Zuckerman, owner of the New York Daily News, for \$100 million from his charitable trust toward its new cancer research facility, including the 23-story laboratory structure.

The new the 693,000-square-foot complex will accommodate a near doubling in the size of Memorial Sloan-Kettering's research enterprise. The building will be located on East 68th Street between First and York avenues, across the street from the Memorial Hospital. The facility is the first new research facility at the hospital since 1989.

Yesterday, the cancer center hosted a three-day series of events to celebrate the opening of the research center. The cancer center has also begun construction on a connecting seven-story structure scheduled for completion in 2009. On September 5, Sloan-Kettering opened a new 85,000-square-foot outpatient cancer treatment center in Basking Ridge, N.J., which cost \$72.5 million.

Touro College of New York City won state approval to open a medical school in Florham

Park, N.J. Touro will renovate one (or possibly two) existing buildings on the land owned by the Kushner Companies. Developer Charles Kushner agreed to donate up to \$10 million for the project. The new school would be housed in a 75,000-square-foot renovated building on land donated by the philanthropist Mr. Kushner, a member of Touro's board of overseers. The new \$50 million medical school expects to matriculate 100 students a year.

Touro is also planning to open a college of Osteopathic Medicine in Harlem. The Touro College of Osteopathic Medicine will be housed in the building across from the Apollo Theater and will also house Touro's planned College of Pharmacy. If Touro receives the approval, the first class would start in September 2007

This month, the 40,000-square-foot, five-level Lander College for Women of Touro College opened in the mixed-use building at 225 W. 60th St. between West End and Amsterdam avenues. The upper 15 floors house the 100 condominium apartments at the Hudson Condominiums.

The American Cancer Society is the owner of a 23,126-square-foot building at 19 W. 56th St. between Fifth and Sixth avenues. The building is on the market to be sold to a developer that will probably demolish it and construct a new 40,000-square-foot building.

The nonprofit organization will use the proceeds from the sale to purchase a 77,000-square-foot condominium for its New York headquarters. The Hope Lodge New York will be housed at the new mixed-use, 61-story tower being developed by the Durst Organization and Sidney Fetner Associates located on West 32nd Street between Sixth and Seventh avenues.

The new facility will feature 60 patient rooms and shared family and meeting rooms, kitchen, laundry, and other facilities. The upper floors will house an 80/20 residential/rental apartment tower.

The Community Board 7 earlier this month approved New York Hospital Queens' plan to "up-zone" its campus and parking garage. The rezoning will allow the hospital to build a new 80-bed facility on the existing parking garage. In this west wing will be new ambulatory surgery suites and additional services. The facility, on 141st Street in Flushing, is the largest private medical center in Queens. Earlier in the year, CB Richard Ellis sold the New York Academy of Sciences' historic building at 2 E. 63rd St. was for \$31.25 million — or \$1,250 a square foot — the highest price recorded to date for a single family residence in New York City. Last

December it announced that the internationally renowned academy signed a 15-year, 40,000-square-foot lease at 7 World Trade Center. Spence-Chapin Services is a fullservice, nonprofit agency that has found adoptive homes for more than 17,000 children. It recently announced it would purchase two floors totaling 20,000 square feet at 410 E. 92nd St. The space is a four-story community facility; the other two floors are occupied by the Gillen-Brewer School.

The building is part of a development by Madison Equities, which includes the new Courtyard by Marriott hotel which opened this summer, and a new residential rental apartment building, First Avenue Towers, which opened earlier this year. In August 2005, the Gillen-Brewer School purchased the two lower floors at 410 E. 92nd St.