

New York Law Journal

TRENDS

REAL ESTATE

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MARKETPLACE

A JOINT VENTURE between Boston Properties Limited Partnership and Madison Equities LLC purchased all of the parcels situated along the Eighth Avenue block between 54th and 55th Streets. Additionally, the team bought the air rights for one of the buildings acquired through the transaction and the development rights from the nearby Broadhurst, Shubert and Booth Theatres. The group plans to build a 35-story, 890,000 square-foot tower on the parcels. The entire sale amounted to over \$230 million.

The properties on the block were sold by three different businesses. Carlton Consulting Co. owned a series of vacant tenements located at 261 West 54th Street and 910-914, 916 and 918 Eighth Avenue; it received \$30 million in the sale. Hearst Communications Inc., an affiliate of publishing company Hearst Corporation, bought and constructed 263 and 265 West 54th Street, in order to restrain Carlton from further development at the corner of West 54th Street. It also owned several lots, at 250, 252 and 256 West 55th Street and 920 Eighth Avenue. All of Hearst's properties were purchased by the venture for \$160 million. The buyers also paid \$38.75 million for the eight-story, 97,679 square-foot 247-259 West 54th Street, run by 247-259 West, LLC and Laytner's Linen Shoppe Inc., and the Hearst-owned air rights for that building and the neighboring 241 West 54th Street. The New York State Department of Labor, the main tenant at 247-259, will soon vacate.

The Broadhurst, Shubert and Booth Theatres are all landmarked and further construction on them is prohibited, through city zoning codes that allowed for the establishment of a theater district. The theaters are allowed to sell their development rights to anyone constructing within a significant distance. All three are located in the West 40s. The amount of the rights sale was not revealed.

The buyers were represented by **Olshan Grundman Frome Rosenzweig & Wolosky** partners **Thomas D. Kearns** and **Eric Goldberg**, of counsel **Hyman Kindler** and **Martin S. Cooper** and associates **Marianna Vayner**, **Nahum Palefski** and **Richard Santalesa**. **Audrey Sokoloff** of **Skadden, Arps, Slate, Meagher & Flom** advised Boston Properties on the acquisition and both companies on the sale of the theater purchasing rights. **Matthew Mayer** and **Helene Bryks** served as in-house counsel for Boston Properties.

Bryan Cave partner **Robert Davis** was zoning counsel to the venture.



247-259 West 54th Street

NYLJ PHOTO/RICK KOPSTEIN

Partners **Joseph Burden** and **Matthew Brett** of **Belkin Burden Wenig & Goldman** handled landlord-tenant issues for the purchasers.

Meredith Kane, a partner at **Paul, Weiss, Rifkind, Wharton & Garrison** and **Paul Selver**, a partner at **Kramer Levin Naftalis and Frankel**, represented the Broadhurst, Shubert and Booth Theatre LLCs, the sellers of the theatre development rights.

Goodwin Procter partner **Ross Gillman** represented the venture with respect to the acquisition loan from Bank of America, N.A. **Pamela MacKenzie** and **Michael Haroz**, partners in **Goulston & Storrs** Boston office, counseled Bank of America.

The Hearst Corporation was represented by **Clifford Chance** partner **David Djaha**, senior attorney **Laurie Nelson** and associate **David Schumeister**. **Charles Saperstein**, of counsel at **Alter Mantel**, represented Carlton Consulting Co., while **Levy Holm Pellegrino & Drath** partner **Steven Holm** represented 247-259 West and Laytner's.

Brian Ezratty and **Scott Ellard** of **Eastern Consolidated** were brokers for the buyers. **GFI Realty's** **David Berger** served as broker to Carlton. **Darcy Stacom** and **William Shanahan** were brokers for Hearst. Ms. Stacom was also the broker for Hearst in its purchase of the air rights and several of the parcels on the north side of the block.

This column is compiled by Sam Weisberg. To report a real estate transaction, please contact the Law Journal via e-mail at nyljrealestate@hotmail.com.

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