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Marketplace

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Securing a new location for its performing arts department and programs, Pace University has signed a 20-year lease for the entire seven-story 140 William St. property known as Fulton Crossing. The owner of the 50,000-square-foot building is Crikos LLC.

"This was a rare opportunity for Pace University to secure an entire building of ideal size and layout in a strategic location," William McGrath, Pace's senior vice president and chief administrative officer, said in an e-mail. "The new space is mostly an expansion due to the success and growth of our performing arts program."

"The location underscores Pace's commitment to being a cultural hub for lower Manhattan," added Jorge Luis Cacheiro, who joined the university in September 2011 and is chair of the Dyson College of Arts and Science's Performing Arts Department at Pace University.

Bradley A. Kaufman, a partner at Pryor Cashman and member of the firm's real estate group, and Andrea R. Gendel, of counsel in the real estate group, represented Crikos.

Jacob Bart, a partner at Stroock & Stroock & Lavan, represented Pace University. In addition, the university was internally represented by Stephen Brodsky, university counsel, and Robert Yarbrough, assistant university counsel.

Mr. Cacheiro said the William Street building will not only accommodate Pace's dance programs but will be the "new home" of Pace's performing arts department, a comprehensive undergraduate program with training in multiple disciplines, including acting, musical theater, design, technology and directing.

Pace's performing arts dance program will be leaving its current 12,000-square-foot space at 280 Broadway after its lease expires. Including 140 William St. and the planned construction of a residence hall at 180 Broadway, the university will occupy eight buildings along what has been coined "Pace corridor," bordered by William and Fulton streets, Broadway/Park Row and Pace Plaza.

"When we started marketing the building, we were looking for institutional, full-building users," Peter Braus, managing partner at Lee & Associates NYC that handled the lease for the owner, said in a statement. "Pace fit the bill perfectly."

According to public records, Christopher Soukas, reportedly an affiliate of Crikos, acquired 140 William St. in 2010, and Sierra Real Estate handled the acquisition.

Pace began its search for a new building about 18 months ago. The property was largely vacant but was in need of significant renovations, which were part of the lease, said Mr. Kaufman.

The university declined to discuss financial information about the lease. Reports say the annual asking rental rate reached \$1.7 million and that rate was in the \$20s per square foot.

Formerly, 140 William St. was the headquarters of the American Numismatic Society, James R. Wacht, president of Lee & Associates NYC and of Sierra Real Estate, said in an e-mail. The landlord preferred finding a single tenant because "the cost of creating a multi-tenant building would have been extremely high," he said. The property was marketed as Fulton Crossing to emphasize the strength of a highly trafficked Fulton Street location, he said.

For the 2012 performing arts spring semester, the university will receive approximately 125 to 150 new students. Next year, about 450 "majors" will be attending classes at 140 William St. with future plans to grow incrementally, Samuella Becker, assistant director of Pace University' public relations, said in an e-mail.

"This is an extremely good deal for both parties," Mr. Wacht said.

Pace University's branding of 140 William St. will include exterior signage and university flags, and renovations will begin soon. The owner will be making substantial capital improvements to increase its long-term value. In addition to the creation of classrooms, faculty offices and a dance studio, plans include the design and construction of a 100-seat theater on the first floor.

On Feb. 13, Pace will unveil its new Performing Arts series at the Schimmel Theater, at One Pace Plaza.

Pace expects to occupy 140 William St. in time for the 2012 fall semester.

David A. Falk, president of New York Tri-State region at Newmark Knight Frank, along with Kyle J. Ciminelli, director, handled the lease on behalf of Pace University.

In addition to Mr. Braus and Mr. Wacht, Gabe Isaacs, Peter Levitan and Garry Steinberg, who are managing directors at Lee & Associates NYC, served Crikos.
