

Real Estate Trends

MARKETPLACE

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The American Arbitration Association will be moving its headquarters downtown to 120 Broadway from 1633 Broadway, where it has been a tenant since 1998. The association is also consolidating its New York state no-fault insurance operation to the same location from 65 Broadway.

The nonprofit dispute resolution group has signed a 15-year direct lease and a nearly five-year direct lease, totaling 53,514 square feet, with Silverstein Properties Inc. for portions of the 21st and 11th floors, and concourse space. In addition, it has a nearly five-year sublease for 26,174 square feet, also on the 11th floor, with Banco Popular.

"A relocation of the association's headquarters to downtown Manhattan made sense from strategic and economic standpoints," said Michael Clark, the association's vice president of marketing and public relations.

This is another phase of a relocation process that began last year when the association signed a 15-year direct lease for 25,000 square feet on the 17th floor at 150 E. 42nd St. with Hiro Real Estate Co.

Bradley Kaufman, a partner at Pryor Cashman and head of the firm's commercial leasing department, represented the association. Kaufman was assisted by associate Benjamin Teig on the sublease.

Michael Sobel and Jeffrey Samuels, partners at Wilk Auslander, represented Silverstein on the direct leases as well as on the landlord's consent to sublease.

Christopher Lalan was in-house counsel for Banco Popular on the sublease.

Ross Silver, a partner at Fried, Frank, Harris, Shriver & Jacobson, represented Hiro Real Estate.

Silverstein's 1.8-million-square-foot, 38-story, class-A Broadway tower, also known as The Equitable Building, is a national historic landmark. The full block building is bordered by Broadway and Nassau Street and Pine and Cedar streets.

Christopher Kraus, a managing director at Jones Lang LaSalle, who assisted the association on the leases, said the deal was a complex one that required an "extensive search throughout Manhattan."

The classic architectural design at 120 Broadway, its large floor plates and open layout "better suited" the association and the location was "economically attractive," he said.

Asking rates at 120 Broadway range from the low \$30s to \$40 per square foot. By comparison, the asking range along the West Side near 1633 Broadway is in the mid \$60s to high \$70s per square foot depending on the building class.

The association's headquarters, executive offices and no-fault insurance division will be at 120 Broadway. The downtown consolidation will take place in stages and is expected to be completed by the end of June.

The 150 E. 42nd St. office, near Grand Central Terminal, will be the location of the association's dispute resolution center with eight hearing rooms that can accommodate six to 24 people. The office is expected to be up and running by May.

"Great care was taken in the design of the space since privacy is part of arbitration," Clark said. Some of the features include video conferencing and simultaneous translations; a business center; a "neutrals" lounge and a café.

The American Arbitration Association was founded in 1926, following enactment of the Federal Arbitration Act.

The association has a long history in providing arbitration and mediation services to individuals and organizations that seek out-of-court resolutions and now has nearly two dozen offices in the United States. The International Centre for Dispute Resolution, a division of the association, provides conflict resolution services worldwide.

The New York State Attorney General's Office is located at 120 Broadway. Kaufman Borgeest & Ryan; Emmet, Marvin & Martin; Adam Leitman Bailey, P.C.; and Sullivan Papain Block McGrath & Cannavo are among some of the law firms there.

Another tenant is the New York Law Institute which was founded as the Law Association in 1828 and is the "oldest circulating law library in New York City," according to its website.

It is also the home of the New York Law Journal and its parent company, ALM Media.

Francesco Rossi, CFO, senior vice president and treasurer at American Arbitration Association, worked closely with Kraus and Brian Higgins, a managing director at Jones Lang LaSalle, on the leases.

Joseph Artusa, senior vice president, and Roger Silverstein, executive vice president of leasing, handled the leases in-house for Silverstein Properties.

Hal Stein, a managing principal at Newmark Grubb Knight Frank, and Jim Landsaw, managing director in Dallas, acted on behalf of Banco Popular.

Scott Gottlieb, a vice chairman at CBRE, Rocco Laginestra, a senior vice president and associate Brian Dooley, served Hiro Real Estate.