

# New York Law Journal

## Real Estate Trends

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VOLUME 246—NO. 119

An ALM Publication

WEDNESDAY, DECEMBER 21, 2011

### Marketplace

BY MONICA PAQUETTE

In an effort to cut expenses, the New York City Opera has found a new home for its administrative offices in lower Manhattan at 75 Broad St., leaving its former space at the David H. Koch Theater at 20 Lincoln Center. The opera said that the move was an “economical decision.”

The opera relocated last week into temporary space at 75 Broad until its permanent space is renovated over the next few months. There will be a staff of about 33 full-time and seven seasonal employees downtown.

The nonprofit organization signed a lease for 14,000 square feet, plus about 4,000 square feet of storage space, with JEMB Realty Corporation at the 33-story building also known as the New York Telecom Exchange. The term of the lease is nearly 8½ years and the lease rate was reportedly below \$33 per square foot.

**Dianna Chen**, an attorney at **Wachtell, Lipton, Rosen & Katz**, represented the opera pro bono.

**Nina Roket**, a partner at **Olshan Grundman Frome Rosenzweig & Wolosky** and the firm’s co-administrative partner, represented the landlord.

The New York Times reported that the annual cost of productions ranged from \$1 million to \$3 million and that Lincoln Center had fixed costs that ran about \$18 million a year. The office move will reportedly save the opera up to \$10 million per year.

“The downtown area is a good alternative to other more expensive areas, such as Midtown,” Morris B. Jerome, principal and partner at JEMB Realty Corporation, said in an interview. “We aggressively sought the opera to be our tenant because we knew it would have a positive impact at 75 Broad St. and the community at large” and its presence will add “prestige to an already diversified tenant roster,” he said. The occupancy rate at 75 Broad is 97 percent.

Among the tenants are Sharets, Paley, Carter & Blauvelt; Nike Communications; and Millennium High School, which has a designated entrance.

The opera also qualified for the Lower Manhattan tax incentive program. Mr. Jerome



75 Broad St.



NYLJ/RICK KOPSTEIN (2)

said that despite the lower rates “the quality of the building is on par with the best.”

The property has undergone over \$35 million in renovations, including the lobby and ceiling murals, and a state-of-the-art security system. “As a family-owned business, JEMB is constantly investing in its assets,” Mr. Jerome said.

The most recent upgrade at 75 Broad was a complete modernization of the elevators.

Throughout North America, JEMB Realty Corporation has about 8 million square feet in its real estate portfolio, including Herald Towers and Herald Center. JEMB is also affiliated with the Canadian-based real estate company BUSAC.

Some of the productions that the opera has slated so far for its 2012 schedule include “La Traviata” and “Prima Donna” at the Brooklyn Academy of Music’s Howard Gilman Opera House, “Cosi Fan Tutte” at Gerald W. Lynch Theater at John Jay College and “Orpheus” at El Teatro del Museo del Barrio, at 1230 Fifth Ave. The opera intends to rent rehearsal space at a separate location.

Last season, there were five operas and 33 performances. During a peak season, there were 12 to 16 operas and about 130 performances, according to The New York Times.

However, the opera faces an obstacle in regard to its upcoming productions. Crain’s New York reported that the orchestra and singers unions have reached an impasse on new contract negotiations with the opera and have threatened to strike.

Paul Wolf, a principal at Denham Wolf, handled the lease on behalf of the New York City Opera.

Frank Cento, an executive director at Cushman & Wakefield, acted on behalf of the landlord.

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OLSHAN  
OLSHAN GRUNDMAN FROME  
ROSENZWEIG & WOLOSKY LLP