



FEATURES | NATIONAL

# Sunday Summary: Power to the Peebles!

BY [THE EDITORS](#) MARCH 27, 2022 9:00 AM



DON PEEBLES.

PHOTO: ZAC BENNETT/FOR COMMERCIAL OBSERVER

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Don Peebles has a vision: The developer with projects in New York, Los Angeles

This means a 2 million-square-foot [mega-project called Affirmation Tower](#) across from the Javits Center that will have a Black builder (Cheryl McKissack Daniel, president and CEO of McKissack & McKissack), a Black architect (David Adjaye of Adjaye Associates) and tenants like the Museum of Civil Rights, which is headed by the Rev. Al Sharpton, as well as the NAACP.

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The real question is whether Peebles (and Steve Witkoff who's partnering with him) can win control of the 1.2-acre site at the state-owned 418 11th Avenue.

An initial RFP for the site was issued by then-Gov. Andrew Cuomo's administration in March 2021, but Gov. Kathy Hochul decided to throw out the original RFP with the hopes of including an affordable housing component to the plans.

“Obviously, affordable housing is a sensitive issue and an important issue,” Peebles told Commercial Observer in a far-reaching conversation about his plans. “But it doesn't belong across the street from one of the largest convention centers in the United States — a tourism and economic engine for New York.”

This is a project to watch closely. Heavies like Brookfield, Related Companies, Rockrose and Tishman Speyer submitted proposals for the initial RFP. The competition should be stiff, even though Peebles is extremely confident.

### **Blackstone (BX) bleeds some red ink**

It might be as shattering as finding out that the red-eyed, BO-smelling, padded, twenty-something in the red suit at the department store is not really Santa Claus but, no, not even the mighty Blackstone is immune to the cruddy real estate deal.

Last week the \$308 million loan originated by [Deutsche Bank \(DB\)](#) on Blackstone's 1740 Broadway was transferred to special servicing and CO learned that the world's largest private landlord is [giving back the keys](#) on the 26-story, 620,928-square-foot office tower between West 55th and West 56th streets.

“This asset faces a unique set of challenges, and we are working diligently to find a solution that is in the best interests of all parties involved, including our investors and lender,” a Blackstone representative told CO.

Indeed, L Brands, the property’s largest tenant, had a 418,000-square-foot lease that expires this week and, rather than renewing, the retailer decided to downsize and go to 55 Water Street. Plus, the other big tenant at the property, law firm Davis + Gilbert, jumped ship in 2019 [to Rudin Management’s 1675 Broadway](#).

It happens to the best of them.

### **Going to pot**

It was not so long ago that banks and other financially conservative institutions were unwilling to get involved in anything cannabis-related given that it is still illegal under federal law, and the extremely profitable business seemed destined to remain the domain of the small-timers forever.

No matter: the multibillion-dollar cannabis deal is here!

[Columbia Care](#) in a \$2 billion all-stock deal expected to close in the fourth quarter of this year. It will make Cresco the largest U.S. company in the marijuana space by revenue and add more than 130 stores across 17 states to its portfolio.

Call it one more item that will nudge full legalization across the finish line, although don't hold your breath (unless you took some sort of monster toke) because the Biden administration, as well as some Republicans and moderate Democrats in Congress, appear to be [dragging their heels](#) at the federal level.

### **In other news**

The Javits Center site was not the only large RFP with breaking news last week; The Metropolitan Transportation Authority is looking for developers to [convert a 550,000-square-foot parcel in the Bronx](#) adjacent to the Gun Hill Road Bus Depot into a recharging facility for a future electric fleet, with pre-construction set to begin as early as 2023.

Gary Barnett [scored \\$900 million in acquisition financing](#) from Guggenheim Partners and Aquarian Holdings for the ABC campus on the Upper West Side that Barnett's Extell is purchasing from Silverstein Properties.

investment giant [BentallGreenOak](#) is partnering with environmental engineering firm RWDI, to use a [predictive technology called ParticleOne](#) to monitor COVID-19 and other viruses in offices. The system alerts owners and occupiers if there is a heightened risk of COVID or other airborne diseases in the building. This sort of sounds like the real estate breakthrough everyone was waiting for!

### **The lease goes on ...**

Continuing [in the trend](#) that has gone on for years now, industrial saw a two-in-one gigantic pair of leases last week when [iDC Logistics announced](#) it had signed deals for two sites: the first in Southern California's Inland Empire, and the second in Garden City, Ga., for a dizzying 533,000 square feet of space. (It was a busy week in L.A.'s industrial sector; Rexford also [bought two Class A, fully leased industrial developments](#) in Central L.A. for \$28 million.)

That's a tough one to beat but there were other interesting leases last week, particularly in retail.

Last Crumb, the self-described "luxury cookie" company based in L.A., is [taking the entire 7,500-square-foot fourth floor](#) of the Pasadena Star-News building,

[Last Crumb website.](#))

Glossier, the beauty brand that until now was exclusively online, announced that it is [opening a permanent location](#) at the Palm Court in Miami's Design District.

At Chevy Chase Lake, the new Maryland neighborhood being forged by Bozzuto and the Chevy Chase Land Company, the developers announced the community's [first six retailers](#): the Charmery (an ice cream shop), UnCorked (a wine shop), Playa Bowls, a new restaurant called Elena James, a CVS and a Truist Bank branch.

In New York it was revealed that Swarovski, the crystal designer, [is planning a 14,000-square-foot flagship](#) location at Josef Buchman's 680 Fifth Avenue (although the insider information like the rent and the length of the lease are still murky.) Trinity Boxing Club is [coming to 20 Vestry Street](#). And the stalwart of the late night party crawl, Red Bull, has picked an interesting place for its [New York City headquarters](#): the Meatpacking District. (Granted that last one is an office lease, not a retail one, so don't expect to make any pit stops between stops at Tao and The Standard hotel.)

Beyond these there were other interesting leases too. The New York City School Construction Authority [signed a lease with Muss Development](#) for 19,201 square feet at 41-61 Kissena Boulevard in Flushing, Queens, to develop a prekindergarten.



LoveShackFancy, the women's fashion brand, [took 19,631 square feet](#) at 111 Fifth Avenue.

[At 740 Broadway](#), the Hetrick-Martin Institute, which specializes in working with LGBTQ teens and young adults, renewed its 8,940-square-foot space and sustainability nonprofit, the Business for Social Responsibility, took a seven-year lease for 7,947 square feet.

And SoCal isn't the only place where warehouse and logistics space is moving; BayWa, a renewable energy distributor, [took a 25,300-square-foot warehouse](#) in Pompano Beach, Fla., with plans to use it as an office and distribution center.

### **People on the move**

There were some interesting hires last week; Onay Payne (the Clarion Partners superstar who was [on last year's CO Power Finance list](#)) has been hired by Lafayette Square to serve as its [managing director of real estate](#).

Newmark's federal investor services group in Washington, D.C., [nabbed FD Stonewater veteran Tim Lenahan](#) to co-lead the group alongside William Hill.

and George Men to its office. (Goldberg will serve as a senior director and Men as a director.)

Todd McNeill and Sunny Sajani, two partners at Metropolitan Capital Advisors, were hired as [Marcus & Millichap senior managing directors](#) in the Dallas office.

There was even the return of the prodigal broker; New York broker Jonathan Fanuzzi is [going back to Newmark](#) as an executive managing director after a 10-year stint at [JLL \(JLL\)](#).

Speaking of JLL, the firm had a tough week, personnel-wise; not only did we learn that Eric Groffman and Cameron Tallon, both formerly senior managing directors at JLL in Miami, have [jumped over to CBRE](#) to take roles as executive vice president and senior vice president, respectively, but former JLL capital markets broker, Peter Nicoletti, is [suing the company](#) claiming discrimination after he received a cancer diagnosis.

## **Sign of the Times**

A couple of months ago we sat up straight in our chairs when we learned that Touro College had rented 243,000 square feet of classroom space in ... Times

Crossroads of the World, like TikTok grabbing nearly a quarter of a million square feet in 2020, and Washington, D.C.-based law firm Venable taking 157,800 square feet last October, not to mention five spanking new hotels that are in the works.

Indeed, it's a new Times Square out there. CO dives into the changes that are afoot.

See you next week!

**KEYWORDS:** [1675 Broadway](#), [1740 Broadway](#), [418 11th Avenue](#), [740 Broadway](#), [Affirmation Tower](#), [Bozzuto](#), [Cameron Tallon](#), [Chevy Chase Land Company](#), [Columbia Care](#), [Cresco Labs](#), [Davis & Gilbert](#), [Don Peebles](#), [Eric Groffman](#), [Gary Barnett](#), [George Men](#), [Glossier](#), [Gov. Kathy Hochul](#), [iDC Logistics](#), [Jonathan Fanuzzi](#), [L Brands](#), [Last Crumb](#), [Matthew Goldberg](#), [Metropolitan Capital Advisors](#), [NAACP](#), [onay payne](#), [Palm Court](#), [particleone](#), [Pasadena Star-News building](#), [Peter Nicoletti](#), [Rexford](#), [rwdi](#), [Sunny Sajnani](#), [the Hetrick-Martin Institute](#), [The Museum of Civil Rights](#), [Tim Lenahan](#), [Todd McNeill](#), [BentallGreenOak](#), [Blackstone](#), [Deutsche Bank](#), [Extell Development Company](#), [JLL](#)

## Organizations in this story

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Tenant

**Last Crumb**

Tenant

**L Brands**

Tenant

**Columbia Care**

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Founder, Chairman and CEO, The Peebles ...

## Eric Groffman

Executive Vice President, CBRE

## Peter Nicoletti

Executive Managing Director, Colliers

## Jonathan Fanuzzi

Executive Vice President, JLL

## Sunny Sajnani

Associate, Marcus & Millichap Capital Cor...

## Gary Barnett

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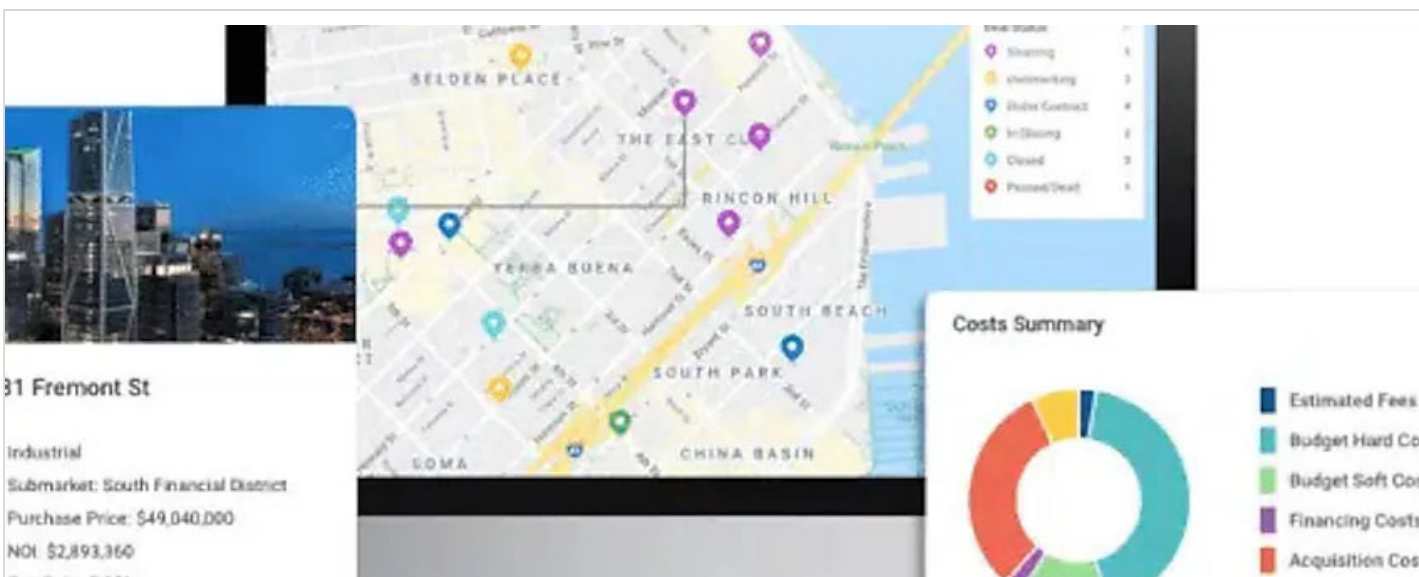
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