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THE PEOPLE BEHIND THE DEALS IN THE NY REAL ESTATE SCENE



Halstead Property

DIANE M. RAMIREZ

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Boutiques Their Way To Success... One Client At A Time

In today's red hot hotel sector, CRG Realty Capital is finding lots of opportunities to work with hip boutique hoteliers with grand bohemian visions from New York's SoHo, Lower East Side, East Village and Tribeca neighborhoods to Beverly Hills and South Beach.

Early this year, CRG's founder and president Mitchell Adelstein and Goldman Sachs celebrated at the Lower East Side's chic THOR restaurant in the recently completed Hotel on Rivington. Adelstein and CRG Executive Vice President Jon Bloomberg thanked the Wall St. investment firm for closing a \$40.25 million deal on the hotel with only six months of operating history. "Five years ago, no one believed a luxury hotel would make it on the Lower East Side," says Adelstein. Together with the hotel's developer, CRG was able to convince lenders of the ground-breaking vision of a 21-story glimmering glass tower in this emerging neighborhood.

Today, CRG is riding the wave of development with their growing list of clients and their proliferation of new boutique hotels. In the past year, these two talented hotel financiers have helped secure over \$250 million of debt and equity for boutique hotels and new construction projects in New York City's "pioneer neighborhoods."

"Hotel developers are coming to us looking for strategies to grow their brand through development and acquisition," said Bloomberg. "But to do that they need the right debt and equity resources and new deal opportunities and that's where we come in."

CRG, which was born out of a real estate development company 10 years ago, has nurtured relationships with developers who see CRG as more than investment advisors. "We become part of their team and understand all facets of their company" said Adelstein, a real estate and finance expert who is proud of his firm's record, closing almost \$1.25 billion in deals.

For developer Paul Stallings, one of CRG's earliest clients, the firm has secured financing for over a dozen Lower East Side and East Village projects (starting with the 122-unit Thompkin Sq. Park.). Their efforts have taken Stallings to new heights, including a proposed high-end resort project in Central America. According to Stallings, "CRG stands alone in their ability to stay focused on the client's best interest rather than simply pushing a deal through. They provide an incredible level of service which is why CRG is a valued and trusted part of my development team."

In the burgeoning boutique hotel market, one of CRG's major clients is Thompson Hotels, owners of a string of "ultra-hip" boutique hotels frequented by jet setters and celebrities in NYC, Beverly Hills, Hollywood and Miami. CRG did such a good job re-capitalizing their flagship hotel, 60 Thompson in Soho, that CRG was brought on as exclusive advisors for their next five deals, working closely with Michael, Jason and

Larry Pomeranc, the family-owned hotel development company. "CRG reaches beyond the typical range of services—from pro



Jon Bloomberg and Mitchell Adelstein

forma analysis and packaging, to financial consulting, valuation support and construction management, to rate arbitrage consulting," says Mike Pomeranc, who brought in CRG to recapitalizing 6 Columbus, a new Thompson Hotel under construction at Columbus Circle (the old Westpark Hotel) and to arrange construction financing for the new Thompson LES, a \$70 million hotel project currently under construction on Allen Street. CRG also facilitated Thompson's \$40 million acquisition and redevelopment of the Thompson Beverly Hills Hotel (the former Beverly Pavilion).

"We've operated pretty much under the radar, but with the latest wave of expansion, we are getting more known in this industry as the go-to guys if you are a hotel developer with a vision," adds Bloomberg. "It's a pretty exciting time for all of us at CRG."

Adelstein, who founded CRG in 1996 by identifying the need to provide developers comprehensive real estate services, brings over 20 years of real estate consulting and finance expertise, along with over \$3 billion in institutional transactional experience. "Not only do developers get our finance acumen, but we deliver the bullet proof market support and deal underwriting that gets the deal done," says Adelstein who is an adjunct professor at Columbia University, where he teaches real estate finance to tomorrow's aspiring developers.

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Hotel On Rivington Deal Closes On Burgeoning Lower East Side



CRG Realty Capital, LLC, the exclusive financial advisor to CLS Management and Paul Stallings, the developer of The Hotel on Rivington, announced that it has closed a \$40,250,000 loan with Goldman Sachs, bringing the developer long-awaited recognition of his grand bohemian vision on the Lower East Side.

The deal cements CRG's longstanding relationship with the avant garde developer of the Hotel on Rivington, a glimmering 21-story glass tower that looms over Manhattan's trendy Lower East Side, drawing rock stars, celebrities, and young hipsters to the neighborhood's newest destinations. According to CRG President Mitchell Adelstein, "the lending environment for project like this has changed dramatically over the past four years due to the emergence of the neighborhood and the success of projects like The Goldman Sachs provided financing for the hotel, according to CRG President Mitchell Adelstein, who praised Goldman Sachs for "sharing our client's vision for a cutting edge design-forward hotel in the emerging Lower East Side and their ability to close the deal quickly."

CLK Management Corp. And Houlihan Parnes/iCap Realty Advisors Close \$110,000,000 Refinancing

After recently closing on an \$113,000,000 refinancing of six multi-family comprising 2,644 units, Houlihan Parnes/iCap Realty Advisors LLC and CLK Management Corporation have just closed on the \$110,000,000 refinancing of six multi-family properties comprising 2,452 units. These properties are located in Baton Rouge, LA; Jacksonville, FL; Overland Park, KS; St. Louis, MI; and New Orleans, LA.

The 10-year loans closed at an aggressive interest rate, with a five-year interest only period and a 30 year amortization schedule for the next five years. The term is ten years.

Neil Shapiro and Greg Simon of Herrick Feinstein, LLP represented the borrower and Corey Tessler of Winston and Strawn LLP represented the lender. Fred Stahl and Sheldon Stahl of Houlihan-Parnes/iCap Realty Advisors and Craig Koenigsberg of CLK Management Corporation were the principals who completed the refinancing.

Sonnenblick-Goldman Arranges \$80 Million For Madison Capital Acquisition

Sonnenblick-Goldman, serving as exclusive advisor to Madison Capital, has arranged \$80 million in debt and equity for Madison Capital's acquisition of a partnership interest in the 85,000 sq ft retail condominium at 1880 Broadway. Barclays Capital Real Estate provided the unsecured loan and the equity investment was provided by Fortress Investment Group.

Located at the base of 15 Central Park West, the retail development at 1880 Broadway will comprise four floors, including two below grade, with 18 ft minimum ceiling heights. It will span the entire block front on Broadway between West 61st and West 62nd Streets and is the largest modern retail condominium currently under construction in New York City.

"The size, location and efficiency of the property are expected to attract many major local and national retailers who are seeking a presence in the highly-trafficked and sought after West Side retail market," notes Richard Wagman, principal of Madison Capital.

"The truly irreplaceable location of the 1880 Broadway Retail Condominium, strong sponsorship and exceptional risk-adjusted returns made this a highly sought after investment in both the debt and equity markets," adds Steve Kohn, president of Sonnenblick-Goldman.

Houlihan-Parnes/ iCap Realty Advisors, LLC Placed The Following First Mortgage Loans:

Houlihan-Parnes/ iCap Realty Advisors, LLC, represented by Mike O'Neill, is pleased to announce the placement of a \$2,300,000 first mortgage on the 10,000 sq ft retail building with 6 stores located at 3427 Jerome Avenue in the Bronx, New York. The 5-year fixed-rate, non-recourse loan has a 30-year amortization schedule. Flexible prepayment is permitted throughout the term. The Borrower also has two 5-year options to extend the loan. The Borrower was represented in the transaction by Jules Levy of Hofheimer Gartler & Gross LLC and title was provided by Phil Linz of Stewart Title.

Houlihan-Parnes/iCap Realty Advisors, LLC's companies and affiliates are engaged in the acquisition and ownership of all types of commercial real estate investment property in the continental United States. Its various companies and affiliates specialize in commercial mortgage finance, investment sales, property management, leasing and mortgage servicing.