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### POST FOCUS ON COMMERCIAL REAL ESTATE

# City nets \$46M on Google buy



**BETWEEN THE BRICKS**  
**LOIS WEISS**

**B**Y the end of business today, Google's **Larry Page** and **Sergey Brin** will be richer by a Chelsea block filled with bricks.

That's when the \$1.77 billion cash deal for 111 Eighth Ave. will officially close after the building's previous, \$500 million mortgage is canceled.

As negotiated, sources said, Google's final costs, along with transfer taxes, a defeasance cost close to \$75 million and other fees, will make the all-in purchase price reach \$1.9 billion.

The taxes will bring New York State a needed \$7.08 million, and New York City a huge \$46,462,500, helping fill their empty coffers.

But to get to this record-setting purchase by a corporate user, sellers Jamestown, New York State Common Retirement Fund and Taconic Partners entrusted the orchestration to investment maestro **Doug Harmon**. Harmon, the senior managing director of Eastdil Secured, has been the leading broker of record investment sales for the last dozen years, including several for

the same sellers.

While there was worldwide interest, the choice of Google as the next owner unfolded over the four-month process. Sources said Google already had the inside track with the owners, as it was the building's largest tenant, with 550,000 square feet; it could pay cash; and it could close by year end, thus providing favorable and locked-in tax treatment. As another plus, Taconic will remain as manager of the property.

All three selling entities have made their pockets jingle with Harmon's deals. In 2004, NYS Common and Taconic tapped Harmon to bring in new investors to 111 Eighth Ave. That's when Jamestown won the right to buy a 70 percent stake for \$185 million — recapitalizing the building at \$800 million and making it the largest deal that year. Now, six years later, Jamestown will reel in the lion's share of the \$1 billion in profit from today's closing.

The last time a pile of bricks squeezed out \$1 billion in profit was back in 2006, when Jamestown handpicked Harmon to market and oversee the \$1.5 billion sale to Beacon Capital of **Rupert Murdoch's** News Corp. headquarters building at 1211 Ave. of the Americas, which is, of course, home to The Post.

A year later, in 2007, just before the credit crisis took hold and silenced the city's wild transaction ride, NYS Common and Taconic selected Harmon to sell their prized 450 Park Ave. Its \$509 million sale price to Somerset Partners became, and still is, at \$1,566 a square foot, the record holder for the highest achieved dollars per square foot.

Three years later, after a string of record sales, Harmon was their logical choice to wrangle the sale of the 18-story building bounded by Eighth and Ninth avenues and 14th and 15th streets. The towering fortress between Midtown and Downtown overlooks the hip Chelsea and

Meatpacking Districts, where tech, media and entertainment companies have been congregating.

Once its bid was chosen by Harmon, Google — which had a preexisting exclusive leasing relationship with **Steve Siegel**, chairman of CB Richard Ellis — worked with Siegel and the CBRE investment sales team of **Darcy Stacom** and **Bill Shanahan** to organize for the year-end closing.

Google, which also has offices and land in New Jersey, is expected to expand its city workforce dramatically in the years to come, as it will now have the ability to fill in the additional 2.5 million feet as other large leases at 111 Eighth Ave. expire.

No one is commenting until after the deal formally closes, if at all.

A bread-and-butter Chelsea investment brokerage deal has just closed as Himmel + Meringoff Properties just paid \$25.05 million for the 117,000-square-foot 158 W. 27th St.

The Louis Dreyfus group sellers hired the Eastdil Secured team that included **Adam Spies**, **Doug Harmon** and **Kevin Donner**. The acquisition opportunity was originally brought to Himmel + Meringoff by **Rob Frischman** and **Benjamin Kahr** of JDF Realty.

Buyer **Leslie Himmel** is being honored by the Real Estate Board of New York at its January gala banquet with the Bernard H. Mendik Lifetime Leadership award.

The National Basketball Association's NBA Entertainment will move its production, programming and broadcasting facility from 450 Harmon Meadow Boulevard in Secaucus to 175,000 square feet at 100 Plaza Dr., which will undergo major renovations. The building at Harmon Meadow is owned by Hartz Mountain Industries.

NBA was repped by **Moshe Sukenik** at Newmark Knight Frank.

