



Savanna closes two loans totaling \$105 million; includes \$58 million secured with Monday Properties

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According to Savanna, a New York-based institutional real estate private equity and asset management firm, it has closed two loans totaling \$105 million.

Savanna and Monday Properties closed a \$58 million loan for 386 Park Ave. South. According to the new partners of the 20-story, Art Deco office building, Chase Bank has signed an 11-year lease renewal of its 12,000 s/f retail space.

The \$58 million loan, provided by PCCP, LLC, will finance a broad capital improvement plan that includes new windows, new elevator cabs, new common corridors, renovated restrooms and updated building systems. These significant upgrades coincide with the leasing of 13,000 s/f full floors and new high quality prebuilt units that will allow immediate occupancy for smaller to mid-size tenants.

Adam Spies of Eastdil Secured represented ownership in this financing.

"386 Park Avenue South is a high quality office property located in the heart of the vibrant Midtown South neighborhood with great access to transportation. The completion of this recapitalization will launch a major building improvement plan to enhance 386's appeal to its existing and potential tenants," said Christopher Schlank, a managing partner of Savanna.

"We are delighted to work with Savanna and Monday Properties to recapitalize this highly attractive property in Manhattan. This is exactly the type of investment that PCCP Capital I, our venture that focuses on providing first mortgages to owners with value-added business plans, is targeting in markets across the nation," said Yon Cho, a Partner of PCCP, LLC.

The building, which features a recently renovated lobby and building entrance, will commence the new capital improvement program in early 2011. Realizing the first benchmark of its revitalization plan for 386 Park Avenue South, Savanna and Monday Properties additionally announced today that Chase Bank signed an 11-year renewal of its 12,000 s/f retail space. Chase has occupied its branch on the northwest corner of East 27th Street and Park Avenue South since 1970.

Chase Manhattan Bank is part of one of the oldest financial institutions in the United States with a history dating back over 200 years. JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.1 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity.

"The Chase branch at 386 Park Avenue South has been a valued community amenity for over 40 years. Whether partnering with one of the largest financial institutions in the world, or a small growing firm, Monday Properties is proud to offer the same first-class services to help our tenants grow and thrive," said Brian Robin, COO of Monday Properties.

David Green and Steven Soutendijk of Cushman & Wakefield represented Chase in the transaction. Jordan Berger of Monday Properties represented ownership.

A \$47 million loan was placed for 5 Hanover Sq. Located between William and Hanover Sts. in the Financial District submarket, this 25-story, 333,000 s/f multi-tenant office building has undergone over \$24 million of renovations and upgrades since 2003. The \$47 million loan, provided by Mesa West Capital, will finance the completion of Savanna's capital improvement plan, which will cover bathroom and hallway renovations, elevator and major building system upgrades, and minor cosmetic improvements to the recently renovated lobby. Additionally, the financing capitalizes the property to pay the leasing and tenant fit out costs necessary to attract top quality tenants.

With this transaction, Savanna has successfully secured financing to recapitalize four major commercial properties in Manhattan over the past 12 months.

"It has been a pleasure to work with Mesa West Capital on this transaction and we look forward to financing future deals with them," said Nicholas Bienstock, a managing partner of Savanna. "Additionally, we are pleased to continue the major capital investment program started by Swig Equities, which has and will continue to transform 5 Hanover into a very attractive building for its tenants. Swig Equities will remain the managing agent and we are excited to launch a marketing and leasing effort with Frank Cento of Cushman & Wakefield and Todd Korren of Swig Equities."

Adam Spies of Eastdil Secured represented ownership in this financing.

"Savanna has an excellent business plan and the new financing provides capital to reposition the building in an improving market," says Raphael Fishbach, a principal who heads Mesa West's New York City office and directs its East Coast originations. "Mesa West continues to expand its platform on the East Coast and we are delighted to have closed our first transaction in New York City and with such a strong sponsor."

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