



## **Benenson Capital Partners and Waterman Interests LLC announce 75-year master lease at 400 Park Avenue**

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Benenson Capital Partners ("Benenson") and Waterman Interests, LLC, have closed on a new 75-year master lease secured by 400 Park Avenue, a class "A" 21-story office and retail building located on the northwest corner of 54th Street and Park Avenue, in the center of Midtown's Plaza district. Richard Kessler, chief operating officer of Benenson and Philip Waterman III ("Tod"), founder and managing member of Waterman Interests, made the announcement.

Benenson has owned the land ("Fee") under 400 Park Avenue since 1971 and Waterman Interests, in a joint venture with institutional investors advised by J.P. Morgan Asset Management, acquired the leasehold interest on the property in August of 2010 from RFR Holdings LLC without utilizing any debt financing (and continues to hold the asset "free and clear"). Following Waterman's acquisition, in a rare example of recognizing how a fee owner and tenant can collaborate to create value for both parties, principals of Benenson and Waterman began discussing a new Master Lease.

At the time Waterman acquired the leasehold interest, the term had only 17 years remaining. This limited the opportunity to invest optimal levels of capital to perform needed renovations and reposition the building. Nonetheless, during the past two years, the Waterman partnership elected to replace all of the elevators serving the building, exterior windows on floors 2-12 (phase II to commence immediately for floors 14-23), completed a wide array of infrastructure replacements and improvements, removed the former SYMS department store from floors B-5, and has leased over 100,000 s/f. New tenants in the building are exclusively banking, hedge fund, and private equity firms. With the extension of the leasehold term to 75 years, the Waterman partnership will continue to invest substantially in the building to create a premier work environment for tenants at the property and make significant aesthetic changes to the ground floor retail space and entrance to the building.

On behalf of the Benenson family, reflecting the company's long history in property ownership and its keen interest in securing long-term commitments from the finest credit tenants, as a principal of Benenson Capital Partners, Lawrence Benenson said, "As with many of our triple net leases and long-term ground leases, my brothers and I believe our new lease with Waterman Interests provides superb long-term security for the Benenson Family, with considerable upside potential."

Benenson's Kessler said, "From the moment Tod and his investor acquired the leasehold interest from our former tenant, we realized that his firm has both the intellectual and financial capital that was consistent with the standards by which we have always operated our business, to successfully reposition the building and maximize value for both the fee and leasehold. We are thrilled to have Waterman Interests, LLC as a long term tenant at one of our most important investment properties, and are quite confident that 400 Park, under this new transaction and with Tod's leadership, will prove to create value for the Benenson Family today and in the future."

Waterman said, "We are extremely pleased to have completed this transaction with Benenson Capital, and are thankful for the support of JP Morgan Asset Management - Global Real Assets and the institutional investors they advise. Thematically, this transaction was a key foundation of our investment strategy, and now that it is completed, we have never been more confident in our ability to continue to transform 400 Park into one of the finest boutique office buildings on Park Avenue and create outstanding financial returns for all parties, including Benenson Capital. I am proud of our team's hard work on this transaction, which was a long haul, and thank everyone involved for recognizing that uncommon value can be created when 'classically' adversarial parties work together and think creatively. We are proud to be associated with Benenson Capital, and it was a pleasure working with Richard Kessler, Jim Stifel, and the entire Benenson team."

Benjamin Gifford, CIO, Real Estate Americas at J.P. Morgan Asset Management - Global Real Assets said, "The ground lease extension significantly enhances our clients' investment in 400 Park. We thank Waterman Interests, LLC and Benenson Capital for their commitment and hard work in executing this complex transaction. We have worked with Tod and his team for over 20 years and this is another example of his firm's ability to envision, structure, and execute on complex and successful investment opportunities in New York City. We are pleased to extend our association with Benenson Capital, one of New York's most respected owners and investors."

400 Park Avenue was designed by the architecture firm of Emery Roth & Sons and was originally constructed in 1957. The building shares its location on 54th Street and Park Avenue with some of the most iconic office buildings in New York, including the Lever House and 399 Park Avenue, and is one block from the Seagrams Building. Currently, the property is approximately 70% occupied with select vacancies on floors 3-5, 19, and a portion of the 6th, 8th, and 12th floors.

Benenson Capital was represented in this transaction in-house by Kessler and James Stifel.

Legal representation for Benenson Capital was provided by Bruce Leffler Esq. of Goldfarb & Fleece. Joshua Mermelstein, Esq. of Fried Frank Harris Shriver & Jacobson LLP represented Waterman Interests, LLC.