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METROPOLIS

Deal Struck for Upper East Side Condo Development

By KEIKO MORRIS

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Developers have finalized a complicated part of a deal that will allow them to build a 21-story luxury condominium tower on the Upper East Side.

Stillman Development International LLC and its partner, Ceruzzi Properties LLC—which is based in Fairfield, Conn.—signed an agreement with Sol Goldman Investments to lease the lower two floors of 147 E. 86th St. and purchase the air rights, an official said. The joint venture is also in contract to purchase the adjacent 151 E. 86th St.

The deal allows the joint venture to complete the footprint for a 210,000 square-foot residential building at the corner of 86th Street and Lexington Avenue with retail on the first four floors, said Matt Crosby, director of Eastern Consolidated, which represented both the buyers and sellers.

Mr. Crosby declined to disclose the terms of the lease and air rights deal.

The development site is situated on a prominent corner of Manhattan real estate, said Roy Stillman, president of Stillman Development, which is based in New York City. “It has visibility,” he said. “It has critical mass, and it has the opportunity for an interesting artistic impression on the façade.”

The developers are hoping to take advantage of Manhattan’s luxury condominium market, where sale prices set a record last year. The planned development will have about 60 apartments, which will be larger family-sized units, Mr. Stillman said. The building will have an articulated glass façade, creating movement through the use of different architectural techniques, Mr. Stillman said.

Representatives for the Sol Goldman estate, which is based in New York City, didn’t immediately return calls for comment.

By March, the joint venture is expected to close on an agreement to buy the five-story

building at 151 86th St. for \$82 million from New York-based Town Sports International Holdings, Inc., owner of fitness facilities including New York Sports Club, Mr. Crosby said. Demolition of the building, which now houses a New York Sports Club, will not take place for at least another two years, he said. Once the tower is built, the fitness club will enter into a 25-year lease for two floors in the building, Mr. Crosby said.

In recent years, apartments in other new luxury condominium developments in the area have sold well, Mr. Crosby said, pointing to The Lucida, an Extell Development Co. project on 86th Street and Lexington Ave.

“That corridor has really come into its own,” Mr. Crosby said.

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