

After \$7M settlement, Chasanoff sells industrial assets

By CLAUDE SOLNIK

INWOOD – After winning a \$7 million settlement against a former tenant of its Inwood Industrial Park, Chasanoff Properties Inc. has sold four buildings in the park totaling nearly 300,000-square-feet to the principals of Ben Elias Industries Corp.

In a dispute that dragged on for nearly three and a half years, Chasanoff argued that Providence, R.I.-based Nortek Inc. improperly sought to transfer the lease from its Ply Gem operations to a new tenant when it left the industrial park in 2001.

Nortek argued it had the right to assign the lease to Cargo Connection, a freight forwarder, while Chasanoff contended it could only do so after the new tenant satisfied certain financial criteria.

"My client didn't feel they were a proper tenant for such a large building," said Jon Ward, a partner at Garden City-based Sahn Ward & Baker, which represented Chasanoff in the lease litigation.

Although Nortek sold Ply Gem last year to an investment firm, the company didn't transfer the liability of the lawsuit as part of that deal.

"They retained that liability when they sold Ply Gem," said Shawn Poe, a spokesman for Ply Gem,



LANDED: Ben Elias Industries is increasing its holdings in the Inwood Industrial Park.

based in Kearney, Ms.

Nortek's argument that it was entitled to \$30 million in damages because of Chasanoff's refusal to approve the proposed tenant was dismissed in court last year, opening the door for the settlement.

The settlement included \$4.3 million in disputed rent, a \$1.75 million lease termination fee, \$500,000 for damages caused to the building and reimbursement of Chasanoff Properties' legal fees.

The Jan. 28 settlement cleared the way for a sale of four properties in the Inwood Industrial Park to Inep Acquisitions LLC, a real estate holding firm set up by the principals of Ben Elias, a Manhattan-based apparel distributor. Inep already

owned seven buildings totaling about 350,000 square feet in the industrial park. It now owns 11 of the 13 buildings in the park, totaling about 630,000 square feet. Ben Elias occupies one of its four newly acquired buildings. One is rented to DHL, another to Pity Gourmet. The last, a 136,000-square-foot structure at 95 Inep Drive that had been caught up in litigation, is now up for lease.

"We bought this from an investment standpoint," said Allan Elias, an executive vice president at Ben Elias, which was founded in 1945 and has grown into a major mass-market apparel distributor. Elias noted that that the park is less than a mile away from John F. Kennedy International Airport.

"It's simply a sale to concentrate on our primary asset, which is One and Two Jericho Plaza," said Robert Chasanoff, a principal at the real estate developer. "In no way, shape or form does the sale suggest a sale of Jericho Plaza. It enables us to concentrate all our energies on One and Two Jericho Plaza."

One and Two Jericho Plaza, designed by North Hills-based Spector Group, is a 650,000-square-foot class A office complex sometimes known as the "boat buildings" for its architecture, which features slanting sides resembling a ship's prow.

The high-profile Jericho Plaza buildings located just off the Long Island Expressway are fully leased, primarily to Fortune 500 companies, Chasanoff said.