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## Metropolitan Buys LI Business Center in \$20m+ Deal

Metropolitan Realty Associates LLC, which successfully overcame the odds in redeveloping and leasing up a sprawling former pharmaceutical plant it acquired last year, is taking on another challenging property.

Garden City-based Metropolitan Realty Associates LLC and its long-time joint-venture equity partner, New York-based Angelo Gordon & Co., announced that they have completed their acquisition of 3500 Sunrise Highway (formerly the Long Island Business and Technology Center), Great River, NY.

The property, currently 51% occupied and comprised of three buildings totaling 363,500 s/f has been renamed the Sunrise Business Center. Sources say the selling price was north of \$20 million.

Metropolitan plans to undertake a multi-million dollar renovation of the property over the next six to 12 months, which will include the entire redevelopment of a 136,000 s/f former warehouse building which will be redesigned for office use

"This is an exciting project that has all of the important elements of a great real estate development," said Joseph A. Farkas, president of Metropolitan "The buildings are situated on an outstanding piece of property adjacent to Sunrise Highway with great access and visibility from this major east / west thoroughfare and has additional development rights."

Moreover, the adjacent parcel of land to the south of the complex is expected to be rezoned in the near future to allow for the development of multifamily housing. "This will further enhance the value of our site and create an environment that will promote a unique opportunity for employers to have their employees live adjacent to their offices at affordable prices," Farkas said.

The proposed renovations planned by Metropolitan for the property will assist in the "rebranding" effort of the project moving the tenancy from a technology base towards main stream businesses seeking full-service, first-class office space at economical rental rates.

"All of the work that I plan to do will help jump start the project back to life," Farkas said. "This is a great product and we are going to make it better."

Farkas, who is recognized in the market as an aggressive deal maker, is in a great position to finish the leasing.

He is currently negotiating with the Town of Islip IDA for a 15-year PILOT program which will freeze taxes for the first five years and then increase them gradually over the remaining 10 years of the program.

This program will create substantial new jobs for the town and help retain the existing tenant base currently occupying the project. The project is also located in a New York State Enterprise Zone.

The complex was purchased in 1998 by New York City-based Cogswell Realty Group, which soon was joined by Rudin Management, also of New York City, as a joint-venture partner.

The Cogswell-Rudin partnership originally sought to fill the property with companies specializing in new media, software, computer information systems and other technology-related areas, but the sweeping technology industry bust of 2001 and 2002 resulted in the departure and shutdown of some tenants.

"This is a unique property in an underserved area of Suffolk County," Farkas said, noting that the town of Islip and the nearby town of Brookhaven together offer a highly educated workforce of 37,000 people available.

Current major tenants in the complex include Verizon, Omnipoint Communications Inc. (T-Mobile) and NetSmart Technologies.

The Great River transaction was brokered by CB Richard Ellis' Tri-State investment team headed by vice chairman Jeffrey Dunne and includes Steven Bardsley, Bruce Nelson and Ray Ruiz.

Metropolitan Realty Associates has retained CBRE to manage and lease the Sunrise Business Center. The leasing team is headed by Raymond Ruiz and includes Bruce Nelson and Marianne Dugan all of the Woodbury office of CB Richard Ellis.

The management team is headed by John Cherowitzo, Portfolio Manager.