

390 Madison deal a big boost for L&L Holding Co.

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390 Madison Ave.

Photo: Neoscape

Law firm Hogan Lovells' just-signed lease at 390 Madison Ave., first reported Monday, is a long-awaited breakthrough for L&L Holding Co.'s unrecognizably redesigned tower — and for the cause of saving East Midtown from galloping obsolescence.

The deal for 206,720 square feet still leaves nearly 700,000 square feet available at 390 Madison but, if history's any guide, they will soon find takers.

Like L&L's 425 Park Ave. a few blocks away, 390 Madison was conceived for tenants seeking a 21st-century environment within the confines of East Midtown, a vast district that's notoriously stuck in the mid-20th century due to antiquated zoning rules.

L&L co-founder and Chief Executive David W. Levinson wouldn't specify how much rent Hogan Lovells will pay, but said it will be "competitive." Earlier stories claimed the asking rent at 390 Madison was more than \$100 a square foot, but sources said that would apply only to higher floors than the law firm is taking (7-12).

Hogan Lovells was represented in lease negotiations by Newmark Grubb Knight Frank's Moshe Sukenik and by Mark Weiss, who was formerly with Newmark but is now at Cushman & Wakefield. L&L was repped in-house by David C. Berkey and Joshua Carson.

We first reported in January 2015 on L&L's plan to reinvent the former 380 Madison Ave. — a hulk wrapped in an opaque blue glass curtain wall that concealed 1950s-era brick — into taller, lighter and airier 390 Madison.

L&L and architects KPF came up with an ingenious way to transform the moribund property for its owner, the New York State Common Retirement Fund, which is advised by Clarion Partners.

The project's total expense, including acquisition, reconstruction and soft costs, has been estimated at nearly \$1 billion; L&L has no equity in the site.

Without needing any city approvals, they could entirely reclad the structure in transparent glass and to redistribute much of its floor space from lower to higher floors in a new, more slender upper portion. The “re-massing” raised the structure's height from 291 feet to 373 feet and added eight more floors, for a total of 32.

The reconfiguration also generated several double- and triple-height floors as well as eight outdoor terraces, two of which will be used by Hogan Lovells.

It all had to be done in conformity with 1961 zoning rules, which have largely stifled East Midtown development and redevelopment, resulting in a growing exodus of marquee-name companies to the West Side, Hudson Yards and the World Trade Center.

L&L's new 390 Madison will be completed by the end of 2017 and 425 Park a year later — both before the proposed area rezoning can likely take effect.