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Bankrupt St Vincent's Hospital To Sell Building

In a quick move after filing for bankruptcy protection two weeks ago, St. Vincent's Hospital Manhattan put up the first of its many buildings in the lucrative Greenwich Village for sale. The real estate broking firm Grubb & Ellis is managing the sale of the property known as Staff House, located at 555 Avenue of the Americas near 15th Street. The building is a 180,000 square foot property that contains 178 apartments, parking space enough for 90 cars and more potential space for storage along the avenue.

The hospital who has for several years been looking for a buyer, has already secured one offer from Taconic Investment Partners, a commercial property owner for \$48 million. To top this price, any other offer for the building must exceed \$49.37 million that takes into account all other incidental fees. Taconic Investment co-chief executive officer, Charles R. Bendit confirmed that Taconic is the 'contract vendee' of the deal but declined to elaborate further on specifics.

The brokerage expects the building to attract many more bids by investors like colleges and universities interested in using it as dormitories for students or other property developers who would want to turn the building into condominiums for sale or rent. The building itself is generally in good condition even though it has been well occupied over the years, a result of good maintenance practices by the hospital.

It is not certain what will happen to the hospital's main medical campus that is located in a landmark district. In 2007, St. Vincent's tried to exit from an earlier bankruptcy when it reached an agreement with the developer Rudin Management to buy most of the main campus for \$300 million. As a result, Rudin had obtained approvals to renovate four of the campus buildings, tear down four others and build luxury town houses and apartments to replace them. However, in view of the present circumstances, Rudin is leaving it up to the bankruptcy judge and the hospital to decide whether these sales will proceed.

Presently, the Staff House serves as the living quarters of 160 graduate medical residents and hospital staff members. They are expected to vacate the premises by June 30 leaving only three

rent-stabilized tenants and a company that leases the parking space. The company using the parking lots is scheduled to move out by May 31, 2012.

As it stands, three of St. Vincent's creditors to whom a combined total of more than \$400 million is owed, are already in line to receive their share of profits from the sale of the building.