



New Ground Lease for Chrysler Building

Following a lengthy process of negotiation and arbitration, a new ground lease for the 77-story Chrysler Building at 405 Lexington Avenue has been agreed to between Jack Kent Cooke, the owner of the building, and Cooper Union for the Advancement of Science and Art, the owner of the underlying land. Kenneth D. Laub & Co., Inc., acted as consultant to Cooper Union throughout the entire process.

The negotiation was complicated by a variety of factors. Among them were an eventually arbitrated settlement of the land's appraised value and a dispute regarding the building's assessment, both of which generate portions of the ground rent due Cooper Union. These and other issues were ultimately resolved successfully. As a result, Cooper Union, which relies on this property for a major portion of its yearly endowment, will realize a substantial increase in its annual income.

Kenneth D. Laub & Company has served Cooper Union as real estate consultant for more than a decade, through a series of changing owners of the property and a \$30 million renovation program which had to be monitored and audited to protect the institution's interests. Throughout this period, the Laub Organization has represented Cooper Union in negotiations and has completed various studies geared to the interests of Cooper Union. These efforts over the past ten years culminated in the signing of the new lease providing long-term financial security for Cooper Union, which was the first free, private, non-sectarian coeducational college in New York.



Cooper Union has owned the land under the Chrysler Building since 1902, as the result of a reversionary trust established by Peter Cooper shortly before his death in 1883. The 1.2 million square-foot building itself was constructed for Walter Chrysler between 1928 and 1930; at 1,046 feet in

height, it was, for a brief time, the tallest building in the world. Designated for official landmark status by the City's Landmark Preservation Commission in 1978, it remains at 57 years of age the world's tallest brick building and a magnet for businesses and tourists alike.