

Sky View Parc Reaches Deal With Depositors

By Connor Adams Sheets
Thursday, July 7, 2011 10:57 AM EDT



Onex Real Estate is returning 75 percent of \$5 million in down payments made by would-be condo owners who backed out of their contracts amid concerns about the massive mixed-use Sky View Parc development.

About 120 hopeful homeowners who made down payments on condominiums at Sky View Parc in Flushing, then backed out of their contracts, will recoup 75 percent of their \$5 million total deposit under a settlement with the mixed-use project's developer.

The settlement is the largest in the history of New York City condominium developments, according to **Adam Leitman Bailey** — the lawyer who negotiated the settlement

between the depositors and the developer, Onex Real Estate.

News of the settlement was so welcome to the 118 would-be condo owners that one of them, who is pregnant, asked **Bailey** if he would be her unborn child's godfather.

"We received Chinese proclamations and banners of whatever Chinese year it is because they are ecstatic," **Bailey** said. "Many of these people's life savings would have gone down the toilet if it weren't for them hiring us."

The buyers sued the project's original developer, Muss Development, but the project's reins were taken over last year by Onex, which decided to settle.

"As the new sponsor, we wanted to do the right thing for the project and move on,"

Onex President Michael Dana said in a statement.

Muss did not respond to a request for comment.

The condo depositors initially sued Muss, FTC Residential Co., Allied Flushing Sales and Marketing and other entities associated with the project over their failure to register the project with the U.S. Housing and Urban Development Department.

They contended that such an omission was a violation of the Federal Interstate Land Sales Full Disclosure Act, and because of the size of the \$1 billion project, the case's resolution was highly anticipated as a bellwether of how such cases may conclude elsewhere.

The settlement comes on the heels of a torrent of bad news about the 3.3-million-square-foot project on a 14-acre plot bounded by College Point Boulevard, the Van Wyck Expressway, Roosevelt Avenue and the Long Island Rail Road tracks, which is slated to eventually include three towers with 1,000 housing units starting at \$385,000 each and 800,000 square feet of retail.

Bailey said some of that negative news — including a \$160 million cost overrun and loan restructurings — should have given the purchasers the chance to opt out of their project, according to the Post.

But Mark Walfish, a lawyer for Onex, disagreed.

“There was no merit whatsoever to the allegation that any major changes had occurred which had an adverse effect on the project and, in fact, all the changes ... have only made the project stronger,” he said in a statement. “The only reason the sponsor settled was because the lawsuit was a distraction and they wanted to put it totally behind them.”

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