

Sections

THE REAL DEAL THE REAL DEAL
NEW YORK REAL ESTATE NEWS NEW YORK CITY REAL ESTATE NEWS

Onyx Equities sued for blocking Touro College sublease at former TCI College campus

Suit argues Onyx is blocking deal so that different tenants can move in

By [Eddie Small](#) | February 28, 2018 01:30PM



320 West 31st Street and Onyx's John Saraceno

[Onyx Equities](#) is preventing a college from subleasing space in Chelsea to keep the building open for its preferred tenant, according to a lawsuit filed against the company.

The lawsuit, filed by the Charand Real Estate Associates entity Overtime Properties LLC against Onyx-affiliated 320 West 31st Associates LLC, centers on the building at 320 West 31st Street, the former home of TCI College Campus. Charand has owned the property for decades and leased it to TCI College in 1997, but the school stopped paying rent in March, after which Charand began eviction proceedings, the suit says.

TCI officially closed its doors in September, and Onyx went into contract to pick up the leasehold at the four-story, 116,000-square-foot building later that month for [about \\$60 million](#). Because TCI was no longer a tenant, Charand agreed to lease the building back from Onyx for a current rate of \$300,000 per month, according to the lawsuit.

In the fall, Charand started negotiating a five-year sublease for the building with Touro College, which is

currently based at 27-33 West 23rd Street under a lease that expires at the end of June, the suit says. The school would have paid about \$380,000 per month for the space under the five-year lease, court documents show.

Onyx began receiving information about Touro's sublease in September, but the company repeatedly said the financial information from the college was insufficient for them to determine their viability as a tenant and refused to let them sublease the building, according to the suit.

The lawsuit maintains that Onyx failing to agree to the sublease is "unreasonable" and claims that the company has "ulterior motives" for not approving the deal, namely a desire to rent the building to ADAPT Community Network and the Young Adult Institute instead on what they deemed more favorable financial terms.

The organizations—both nonprofits that work with disabled people—have shown interest in the building since August, and Onyx has been actively negotiating with them over the past few months, "despite knowing that Touro College meets the Master Lease's requirement of creditworthiness," according to the suit.

Charand is now suing Onyx for breach of contract and seeking damages of at least \$900,000 for Onyx's breach of the master lease and at least \$700,000 for the work Charand has already done to prepare the building for Touro College, the suit says.

Onyx did not respond to a request for comment.

"Our client has an absolute right to sublease," said Tab Rosenfeld, an attorney representing Charand's Overtime Partners in the case, "and Onyx is not honoring that."

Tags: [Commercial Real Estate](#), [lawsuits](#), [Subleasing](#), [touro college](#)

Share

Tweet

Share