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## **Landlord Strikes Deal With Vornado**

By ELIOT BROWN

Facing a heavy debt load on the giant Independence Plaza apartment complex, landlord Larry Gluck has turned to Vornado Realty Trust to help escape his troubles at the TriBeCa property, according to people familiar with the matter.

Vornado, one of the country's largest retail and office building owners, struck a deal with Mr. Gluck's Stellar Management to recapitalize the property, buying at a discount \$185 million in junior debt, the people said.

Independence Plaza, a 1,300-apartment complex that overlooks the Hudson River, has been a frequent source of troubles for Mr. Gluck, who bought it in 2003 when it was part of a middle-income housing program. Stellar then removed it from the program and added \$575 million in debt as the firm renovated apartments and sought to market them as luxury rentals.

As was the case for many projects conceived at the market's peak, the buyers' revenue projections fell short while the property's value fell below the value of the total debt.

The debt sale, arranged by brokers Doug Harmon and Adam Spies at Eastdil Secured, takes one of Mr. Gluck's problems off of the table, but others remain. The property still has nearly \$400 million in debt that is slated to come due this fall and may be difficult to repay.

This spring, the loan was put under the control of a special servicer that focuses on working out troubled debt.

A Stellar spokesperson said Vornado bought the debt as part of a "consensual" deal with the firm. "Stellar Management continues to engage in an amicable dialogue with various lenders to extend the overall debt on the property," the spokesperson said.

A spokesman for Vornado declined to comment. The rental apartment deal is unusual for the company which focuses primarily on large office buildings and malls.

Mr. Gluck and Independence Plaza tenants also have been battling in state and federal court over tenant allegations he has been overcharging for luxury apartments. Mr. Gluck has denied any wrongdoing. Federal and state court judges have come out with opposing rulings in the two cases.

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