



## **SL Green/Sutton Joint Venture Announce Plans for 180 Broadway Redevelopment Project**

### **Announces Joint Venture Partnership with Harel Insurance and Finance**

### **New Building in Prime Downtown Location to Feature Student Housing for Pace University plus Premier Retail Space**

### **Helaba Bank to Provide New \$90 Million Financing Facility**

New York, NY - January 3, 2011 - SL Green Realty Corp. (NYSE: SLG), in partnership with Jeff Sutton, today announced that it is joining forces with Harel Insurance and Finance in a joint venture partnership to develop a building featuring high end retail space and student dormitory housing for Pace University at 180-182 Broadway and 2 John Street. SL Green/Sutton will retain a 51% controlling interest in the property.

The venture also announced the closing of a new five-year \$90 million construction loan facility led by Helaba Bank.

Under the agreement entered into with Pace University, the joint venture partnership will develop a 24-story building at the site and then convey a long-term ground lease condominium interest to Pace University for 20 floors of student housing. The joint venture partners will retain ownership interest of the three bottom floors through a separate condominium interest and will seek to lease that space to one or more upscale retail tenants. The building is expected to be delivered in 2013.

Located across the street from the \$1.4 billion Fulton Street transit hub which is expected to be completed in 2014, 180 Broadway is extremely well situated for both student residential and retail use. It is not only convenient to public transit and Pace University, but also to Lower Manhattan's financial business hub and various amenities.

Andrew Mathias, President of SL Green, said, "This latest SL Green and Sutton collaboration continues a long relationship that has featured extremely successful retail development projects. Our ability to attract Harel, a renowned global investor and Pace University, one of Manhattan's premier educational institutions, speaks to the strength of our position in New York City as both a financial partner and landlord."

Gadi Ben-Haim, Harel's Head of Real-Estate Investments, stated "Harel is a prominent investor in commercial real estate both in Israel and abroad, and this partnership with two of New York City's leading players is an exciting new venture which we anticipate will deliver positive results for all parties involved."

"This new residence hall will be a major enhancement for generations of Pace University students who value the experience of living and learning in lower Manhattan," said William McGrath, Pace University's Senior Vice President and Chief Administrative Officer. "We've been providing professional leaders and scholarship to the community since we started here 104 years ago, and we intend to be a force in the area's continuing rebirth."

Mr. Mathias added, "We believe this property, when combined with the openings of the transit hub and the World Trade Center related developments, will be an ideal home to premier retail tenants looking to take advantage of the resurgence of this Broadway corridor."

David Falk and Kyle Ciminelli of Newmark Knight Frank and Jack Bart of Stroock & Stroock & Lavan LLP acted on behalf of Pace University in this transaction, and Stuart Mass and Noah Shapiro of Haynes and Boone, LLP and Fried, Frank, Harris, Shriver & Jacobson LLP acted on behalf of SL Green in this transaction. Ben Shaoul of Magnum Management provided pre-development, development, and advisory services to the partnership.

### **About SL Green Realty Corp.**

SL Green Realty Corp. is a self-administered and self-managed real estate investment trust, or REIT, that predominantly acquires, owns, repositions and manages Manhattan office properties. SL Green is the only publicly held REIT that specializes in this niche. As of September 30, 2010, SL Green owned interests in 30 New York City office properties totaling approximately 22,324,460 square feet, making it New York's largest office landlord. In addition, at September 30, 2010, SL Green held investment interests in, among other things, eight retail properties encompassing approximately 366,312 square feet, three development properties encompassing approximately 399,800 square feet and two land interests, along with ownership interests in 31 suburban assets totaling 6,804,700 square feet in Brooklyn, Queens, Long Island, Westchester County,

Connecticut and New Jersey.

**Forward-looking Statement**

*This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical facts included in this press release are forward-looking statements. All forward-looking statements speak only as of the date of this press release. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, achievements or transactions of Gramercy, SL Green and their affiliates, or industry results or the benefits of the proposed transaction, to be materially different from any future results, performance, achievements or transactions expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors associated with forward-looking information in this press release relate to, among others, the satisfaction of closing conditions to the transaction and the effects of general and local economic conditions, interest rates, capital market conditions, bankruptcies and defaults of borrowers or tenants in properties securing the companies' investments, and other factors, which are beyond the companies' control. Additional information or factors which could impact the companies and the forward-looking statements contained herein are included in each company's filings with the Securities and Exchange Commission. The companies assume no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.*

**Contact:**

Andrew Mathias  
President

-or-

Heidi Gillette  
Director, Investor Relations  
212.594.2700