Business

Nasdaq Comp. Down 55.30 1,367.19

A DOWNTOWN Rx

HHC move gives big lift to Financial District

STEVE CUOZZO

REALTY CHECK

EXCLUSIVE

THE city's Health and Hospitals Corp. is poised to move hundreds of staffers from Midtown to 160 Water St., The Post has learned — a Christmas present for beleaguered downtown, and the area's second piece of good leasing news in less than a month.

In a deal likely to be signed this week, HHC will take about 126,000 square feet of space in the glass tower between Maiden Lane and John Street.

No lease is done until it's done — law firm Thacher, Proffitt & Woods surprised everyone last month when it passed up a widely predicted move to 32 Old Slip in favor of the World Financial Center, next to ground zero. But insiders said the HHC deal at 160 Water was "real."

HHC, which administers the city's vast public hospital system, is headquartered downtown at 125 Worth St.

HHC senior VP for finance **Rick Langfelder** said 455 employees would move to Water Street — most from 230 W. 41st St., where the agency has financial, audit and information services workers, and from its MetroPlus subsidiary at 11 W. 42nd St.

He said that as a public agency, HHC was not eligible for government incentives being used to lure private-sector firms downtown — "but if you know of any, we're interested," he joked.

The imminent deal comes on the heels of Thacher Proffitt's lease of 138,000 square feet at 2 World Financial Center, first reported in The Post last month. It will make only a modest dent in downtown's office availability rate of around 15 percent, but its psychological effect is greater.

HHC typifies the kind of non-financial tenant landlords have been courting to take the place of those that have split operations between downtown and other locations, or moved out altogether.

The HHC deal isn't the mega-breakthrough downtown landlords are praying for — like a possible 300,000 square-foot commitment by CIBC or Midtown accounting giant KPMG.

But until then, a healthy commitment like HHC's in a Class-A building will do. It's not only good news for the office market but for stores and restaurants nearby.

Downtown Alliance president **Carl Weisbrod**, who did not know the specifics of the HHC lease, commented, "Government agencies are very cost conscious, and a move of this kind recognizes the compelling economics of coming downtown."

Current asking rents at 230 W. 41st St. are about $39 per square foot. Recent asking rents at 160 Water St. have been about $10 less, a difference that Langfelder confirmed "over the life of the lease."

Cushman & Wakefield is representing HHC in negotiations. No one on the C&W tenant-rep side returned calls. The agent for 160 Water St., **Richard Feldman** of Williamson, Picket, Gross, Inc. declined to comment.

Please send e-mail to scuozzo@nypost.com

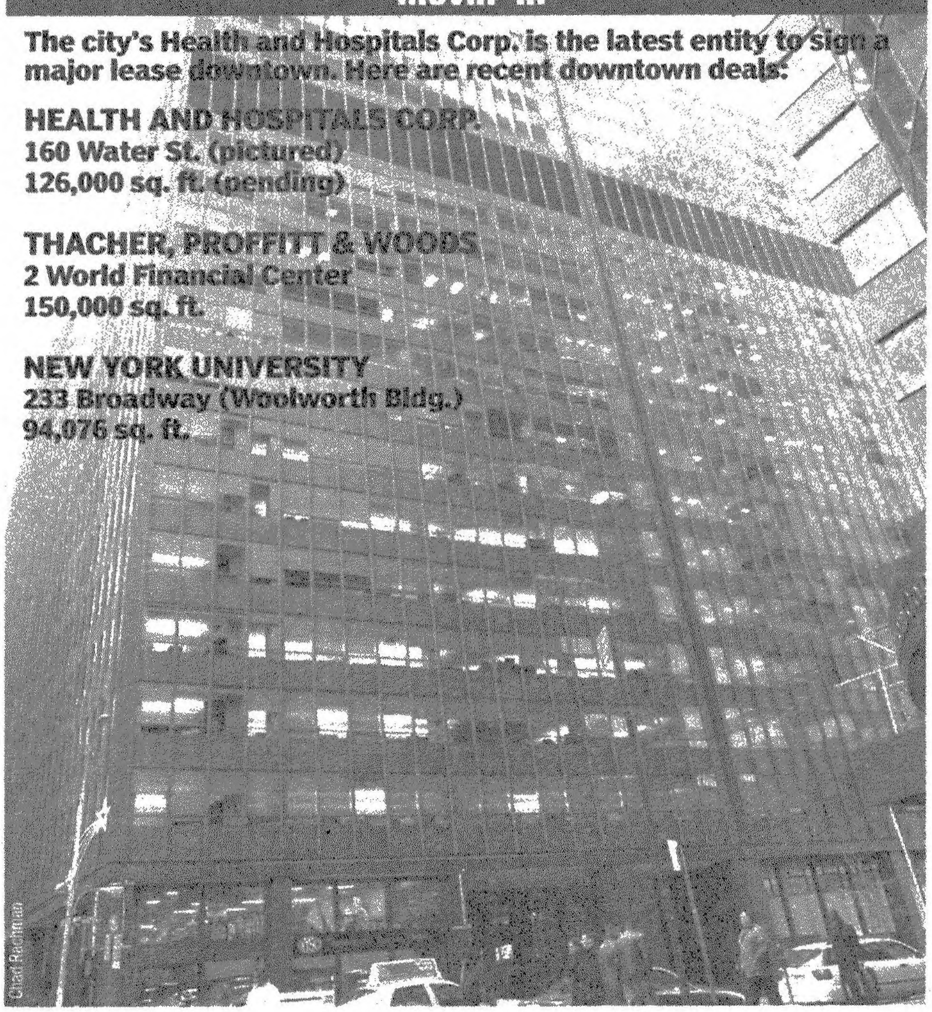
Movin' in

The city's Health and Hospitals Corp. is the latest entity to sign a major lease downtown. Here are recent downtown deals:

HEALTH AND HOSPITALS CORP.
160 Water St. (pictured)
126,000 sq. ft. (pending)

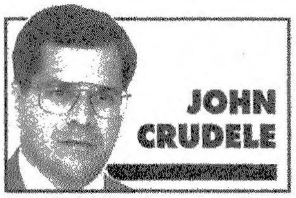
THACHER, PROFFITT & WOODS
2 World Financial Center
150,000 sq. ft.

NEW YORK UNIVERSITY
233 Broadway (Woolworth Bldg.)
94,076 sq. ft.



Chad Rachman

Uh oh baby! broker who failed to deliver sued



JOHN CRUDELE

YOU'VE heard about full-service brokers before, but never one like this.

A New Jersey woman is alleging that a Salomon Smith Barney broker promised to father her child if she invested money with him. The woman, **Laura Brandel**, claims the broker ended up costing her a bundle without giving her a bundle of joy.

The complaint is going before a National Association of Securities Dealer's arbitration panel this week. The woman's lawyer would not talk to me. A Salomon spokesperson said, "We take all client claims seriously and handle them appropriately."

But I got a copy of the allegation from the lady herself and, well, it is unique.

Brandel is now around 48 years old and and she tells the NASD that she has had some broken love affairs and personal tragedies in the past few years that I've decided belong more on Page Six than in this column.

A few years ago Brandel "was particularly distraught because she was 42 and desperately wanted to have a child," according to the allegations submitted by her lawyer, **Louis F. Burke**.

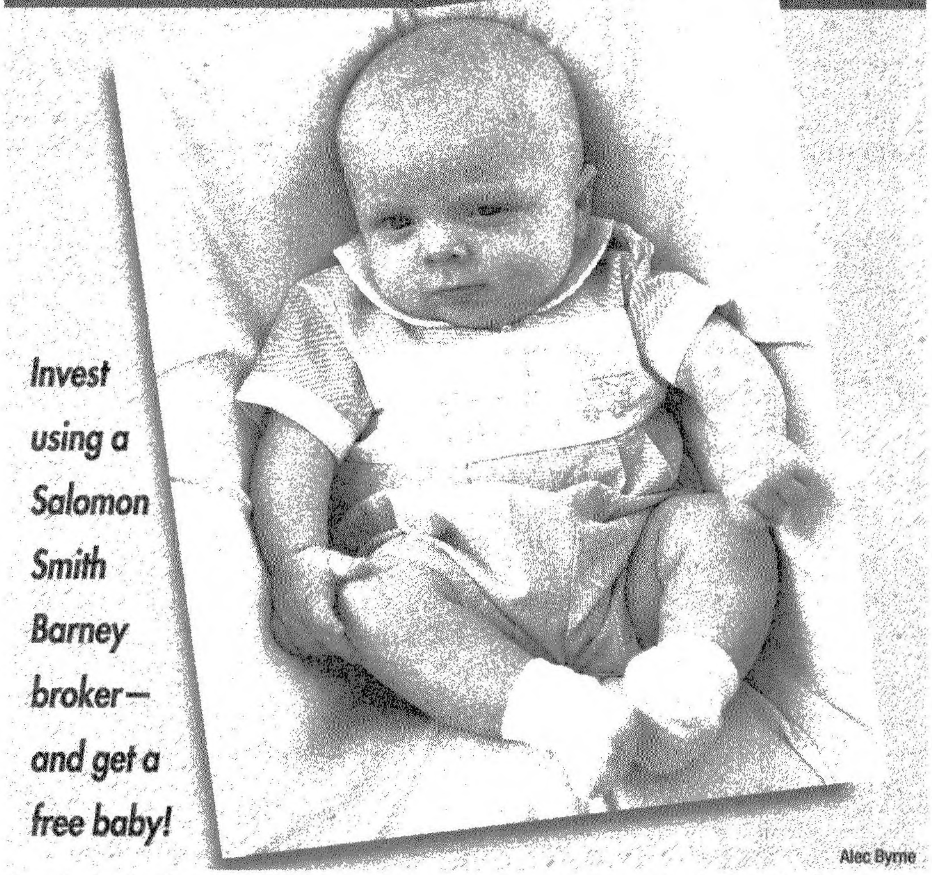
So Brandel placed an advertisement for her services as a licensed masseuse in New Yorker Magazine and, she alleges, a Salomon Smith Barney broker responded. One thing led to another — again, Page Six stuff — and, here's the rub (if you don't mind a pun), Brandel placed most of her money in the broker's hands.

In her allegations against Salomon Smith Barney, Brandel says she "believed that (the broker) would father her child and by virtue thereof sealed the trust with (him) that was the link to believing her financial security was in the solid hands of SSB" and the broker.

"Indeed, (the broker) often told (Brandel) that (he) would invest claimant's money in safe and conservative investments so that her money would grow and she and (the broker's) baby would live off the interest income," according to the allegation.

The arbitration document says Brandel believed the broker "would never do anything to jeopardize their baby's money."

Full-service broker



Invest using a Salomon Smith Barney broker— and get a free baby!

Alec Byrne

Brandel, who is looking for $1 million from Salomon Smith Barney, does admit in the document that she lacked sophistication and was naive.

But remember, there's the "know your client" rule that every broker is obliged to follow. I guess this broker could argue that he was just trying to know this client a little better.

Oh yes, I'm withholding this guy's name because I feel a little sorry for him.

■

How appropriate: Give **John Snow** the job of Treasury Secretary and see if he can do a snow job on the public.

I'm not going to waste a lot of time in this column on the bloodletting among **President Bush**'s economics team. Let me leave it with this.

Last Friday's surprisingly weak labor figures should have finally convinced you — as it did the president — that we are now going into a period where the economy will look bad, probably even worse than it actually is.

The 40,000 loss in jobs in November and the huge, unexpected jump in the unemployment rate was in sharp contract with the impressive — and artificial — 4 percent growth in third-quarter gross domestic product that the government reported just a couple weeks ago.

As I've said often before, the economy is performing a lot worse than the government thinks and the slow expansion isn't creating many new jobs.

This column has preached this sermon before: the unemployment rate is much higher than the government is letting on — over 10 percent if you count discouraged workers — and the economy isn't growing as much as the government is pretending, if you calculate inflation properly.

My best economic source, who wants to remain anonymous, tells me that the next two shockers will be a higher rate of inflation in December and the big drop in fourth-quarter GDP when it is announced in late January.

Washington allegedly has a plan to stimuate the economy with $300 billion in tax cuts. What's that going to do? It'll raise the federal budget deficit to around $500 billion a year (even if you use the government's jolly time accounting) and will rile the financial markets.

■ *Please send e-mail to: jcrudele@nypost.com*

U.S. to unwind new Japanese import

By LAUREN BARACK

It's spinning tops — Japanese style. ... ment for U.S. toy makers. Hasbro often meets with its Japanese toy partner, Takara, which introduced ... growing as children begin compiling their wish lists for Santa. Google.com saw a huge spike in ...