

Real Estate MVP: Fried Frank's Jonathan Mechanic

By **Kelly Knaub**

Law360, New York (December 18, 2013, 3:50 PM ET) -- Fried Frank Harris Shriver & Jacobson LLP's Jonathan Mechanic helped complete some of New York City's most significant real estate deals in the past year — including Coach Inc.'s \$750 million relocation to Hudson Yards — earning him a spot on Law360's list of 2013 Real Estate MVPs.

The real estate veteran — who has more than three decades of experience representing a variety of developers, owners, investors, real estate investment trusts and lenders in all aspects of commercial real estate transactions — represented Coach on the construction and development of its 750,000-square-foot condominium unit to be located in Tower C of the West Side's Hudson Yards Project. Of all the deals Mechanic has worked on this past year, he said Coach stood out the most.

"It was very complicated," he said. "There were lots of moving pieces and lots of things that had to all come together in order to have the transaction move forward."

The complex deal involved drafting and negotiating a joint venture with Related Companies LP, a development agreement with Related, a construction loan with Starwood Property Trust Inc. and a Coach affiliate as the lenders, documents establishing the condominium regime for Tower C, and purchase and option agreements with Related, as well as other documents.

Mechanic said that in addition to the time pressures Coach faced because of its expiring leases, Coach and Related's unusual structure made the deal challenging.

Another monumental deal Mechanic helped complete was the 50.1 percent stake purchase of a 1.3-million-square-foot office building, known as St. John's Center, by Fortress Investment Group, Atlas Capital Group and Westbrook Partners. The deal left Mechanic's clients with full control of the building, which was formerly owned by philanthropist and real estate icon Eugene M. Grant.

The real estate attorney said that having a reputation for balance and integrity is essential for success in his line of work. Mechanic said he had worked with all clients in the St. John's Center transaction in different contexts, which made it possible to close the deal.

"The fact that we were able to get it done is due in part to the credibility I had on all sides of the table," he said.

Yet another landmark deal for Mechanic this year was his representation of Legends Hospitality LLC in its

15-year lease agreement with the Port Authority of New York and New Jersey to operate One World Trade Center's three-story observation deck. Under the agreement, Legends will develop and operate the deck, which is projected to open in 2015. The Port Authority is expected to rake in \$875 million in revenue over the term of the lease.

Mechanic said he had the "good fortune" this year of representing Legends — which is owned by the Dallas Cowboys, New York Yankees and the Checketts Partners Investment Fund — after previously representing Conde Nast in its lease as anchor tenant of One World Trade Center in 2011.

The real estate expert's list of accomplishments doesn't stop there. He represented Capital One NA in connection with a lease for its 250,000-square-foot New York headquarters at 299 Park Ave. in Manhattan, which it will use as both office and ground-floor retail and to consolidate space it currently holds across the city.

Mechanic also represented Empire State Realty Trust Inc. — the REIT that owns the Empire State Building — in connection with a secured revolving and term credit facility, which ESRT entered into upon its initial public offering.

In addition, Mechanic represented Highgate Holdings LLC and Rockpoint Group LLC in the sale and leaseback of Times Square's historic Milford Plaza Hotel. Deals for the site — which has been divided into the land beneath the building, the 1,300-room hotel and its retail space — are expected to have a combined value of about \$650 million.

In yet another significant deal, Mechanic represented investors associated with the Ruben Companies in its \$210 million purchase of the land at 600 Madison Ave. from several Wallace family trusts. Although Ruben had owned the 26-story building for nearly five decades, it did not own the ground on which it is situated. The building's tenants include investment and financial services firms, family offices and retailers.

The real estate pro joined Fried Frank in 1978 and left only once — from 1981 to 1986 — to serve as general counsel and managing director of Howard Ronson's HRO International Ltd., where he participated in the development of more than 2.5 million square feet of office space in Manhattan. He returned to the firm as a partner in 1987, using his experience as a developer to build his star practice.

--Additional reporting by Kaitlin Ugolik. Editing by Edrienne Su.
