

## Real Estate Group Of The Year: Fried Frank

By **Jess Davis**

*Law360, Dallas (January 09, 2013, 7:52 PM ET)* -- Fried Frank Harris Shriver & Jacobson LLP helped Cornell University land an agreement to develop a \$2 billion science campus on New York City's Roosevelt Island and represented Morgan Stanley and Co. Inc. in the city's largest lease of the year, earning it a place as one of Law360's Real Estate Groups of the Year.

The group also celebrated the opening in September of the \$1 billion Barclays Center, for which it spent years working on zoning and financing issues, worked with Major League Soccer on plans to build a new stadium in Queens and secured city approval for rezoning of the Chelsea Market building to accommodate its expansion with two new office towers.

Fried Frank's comprehensive approach to real estate deals — bringing together attorneys who handle land use and zoning issues as well as transactional work — allows it to tackle large, complex projects that take years of development, real estate department chair Jonathan Mechanic said.

"For almost any huge project in New York, the likelihood of our being in the mix is excellent," Mechanic said.

The firm also proved its adeptness at closing deals under tight deadlines, including the October acquisition of a 743,200-square-foot building at 575 Lexington Ave. by a joint venture between Normandy Real Estate Partners and New York Life Investment Management. The deal involved complicated debt assumption issues and required last-minute financing changes before the lender closing, Mechanic said.

"The deal had been modified in a way to make it very lender friendly after a restructuring, so we wanted to change the loan documents to make it work for us on a go-forward basis if we had to assume the loan," Mechanic said. "We ended up putting new financing in place despite the timing challenges under the contract."

Other standout deals included the refinancing of a \$1.1 billion loan and recapitalization for a 1.5 million-square-foot office tower on Fifth Avenue owned by the Kushner Companies in a joint venture with Vornado Realty Trust, the \$173 million acquisition of a pair of office towers in Manhattan's Midtown and a \$140.5 million sale in the SoHo district.

Since December 2011, when Mayor Michael Bloomberg's administration chose Cornell's Roosevelt Island proposal over 16 other universities vying for the spot, Fried Frank has been working to secure land use and environmental approvals for the project as well as negotiating with developers who will ultimately build components of the planned \$2 billion science and engineering campus.

Fried Frank partner Melanie Meyers helped put together the Cornell and Barclays Center projects and said years of experience navigating the complicated land use regulation process in New York have taught her the importance of patience and understanding the many different groups that have a stake in the developments.

"You go into the process knowing that it will take a long time and you will be talking to people about how to save a tree on the sidewalk as well as how to implement a billion-dollar project," Meyers said. "While the process is sometimes frustrating, the issues large and small are legitimate, and the projects themselves are so fabulous that you keep going."

In another zoning triumph, Fried Frank helped secure city approval for developer Jamestown Properties to move forward with plans for a 300,000-square-foot expansion of the Chelsea Market building that Mechanic said will bring more high-tech and media companies to the area. Jamestown plans to build 240,000 new square feet of office space above the 10th Avenue portion of the market and a 90,000-square-foot addition to the Ninth Avenue side.

The developer agreed to a request from the city planning commission in September to reduce the height of one of the planned towers and agree not to use the 90,000-square-foot tower as a hotel, clearing the way for approval of the project. On Nov. 13, the New York City Council approved a zoning change that puts the site in the Special West Chelsea district established in 2005 for development of the High Line Park, despite some opposition from area residents and activists.

The firm also worked with Morgan Stanley to expand its lease in the One New York Plaza building, where Fried Frank is headquartered, from 816,000 square feet to 1.2 million square feet, in what Mechanic said was the largest lease deal of the year. The company had been subleasing a majority of its space in the building from Wells Fargo & Co. but reached a deal to increase its footprint and extend its presence there until 2029.

"What makes the practice unique is there is an unbelievable pool of talent all located in one place, with different specialties and experience that cover all aspects of a project," Mechanic said. "This is a place where people feel very proud of the group they're in."

The firm also closed a last-minute deal Dec. 28 that allowed a group of private equity firms to take control of a 1.3 million-square-foot office building at the end of Manhattan's High Line as they bought out philanthropist Eugene M. Grant's 50.1 percent stake, giving Fortress Investment Group, Atlas Capital Group and Westbrook Partners full ownership of 550 Washington St.

Coming up in 2013, the firm will continue work developing a Hudson Yards project, which broke ground Dec. 4. Fried Frank represented buyers who acquired the site from New York's Metropolitan Transportation Authority, worked on a wholesale zoning change for the area, is advising on financing for the project and is representing the project's first tenant, Coach Inc., in a 750,000-square-foot lease, as well as two other tenants for the project's planned South Tower.

--Editing by Jeremy Barker.