

practice chair

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Our Real Estate Practice Group delivers practical solutions to real estate clients and clients with interests or investments in real property. We have an integrated approach involving close collaboration with lawyers across a range of practice areas that sets Carter Ledyard apart, including:

- Environmental and Land Use/Zoning
- Corporate
- Litigation
- Tax
- Trusts & Estates
- Tax-Exempt Organizations
- Insolvency & Creditors' Rights/Bankruptcy
- Construction
- Condemnation.

Our culture of cooperation and delivery of coordinated legal services benefits our clients.

We handle the full range of real estate matters including commercial and residential property sales and acquisitions, commercial leases, long term ground leases, joint ventures, joint venture development projects, brokerage agreements, construction access agreements, construction contracts and architect's agreements, mortgage and mezzanine loans and other financings, preferred equity investments, condemnation proceedings, re-development projects involving governmental agencies, and corporate acquisitions involving real property. Our team represents private clients, government agencies, and not-for-profit organizations in wide range of matters, including leasing, development, ownership, and management of commercial and residential real estate.

Why our experience is the right fit

More Than Just Assets, Real Estate Lives and Breathes

Our team fully understands that real estate means much more to our clients than an asset on their balance sheets. For a user, real estate is a key manufacturing facility, corporate headquarters, luxury hotel, or health care facility. For an owner or purchaser, it's a source of revenue to meet budgets and generate profits, a property unlike any other that must be managed and protected. For a lender, it's security. We

see real estate in the same light and work hard to maximize and protect the value it brings to our client's enterprise, whatever that may be.

Our lawyers stay knowledgeable on legislative and regulatory updates that affect our clients in the real estate industry, including the New York Building Council, and serve on real estate-related committees, including the Committee on Real Property Law of the Association of the Bar of the City of New York; Construction Law Committee of the Association of the Bar of the City of New York; and Condemnation Law Committee of the New York County Lawyers' Association.

While we work to meet the needs of a national and international client base, the members of our groups also focus on working with many New York City agencies, including the:

- Board of Standards and Appeals
- City Planning Commission
- Economic Development Corporation
- Department of Housing Preservation and Development
- Landmarks Preservation Commission
- Office of the Mayor
- New York City Council

Our Innovative Approach

Integrated Approach. Successful real estate matters are resolved because our legal team works together to find the most efficient and effective solution. That means we incorporate input from our professionals across practices to deliver quality legal services.

Welcoming Innovation. We encourage innovation and creativity in finding solutions for our clients.

Simplifying Complexities. Some transactions for the tax-exempt organizations we represent involve joint ventures with private developers on the construction of office or condo buildings. With such deals come unique tax complications and other challenges, requiring us to forge new, creative ways to unravel the complexities and move the project forward.

Staying Right-Sized. We maintain the right number of attorneys staffed on matters so we can stay nimble enough to move quickly, demonstrate flexibility, and embrace innovative service-delivery models, alternative pricing arrangements, and proper staffing. We never overstaff a matter, always thinking of our clients' budgets and bottom line, and we only raise those issues that are worth consideration and not those that slow down progress on a matter.

Proven Strengths

Clients retain and refer our real estate lawyers for our experience and knowledge in many areas, including:

LEASING

Owners: Our attorneys represent major landlords in Manhattan – institutions that are among our longest-standing clients – in negotiating and finalizing commercial office and retail leases and long-term ground leases. We have assisted these clients in major office leases to financial institutions such as Morgan Stanley and The Bank of New York, in retail leases to leading chain operators and in long-term ground leases to real estate developers.

Tenants: Our leasing group has provided tenant representation to financial institutions and business corporations in some of the largest leasing transactions in the New York City area in recent years. We fully understand the special needs and interests of such clients, including uninterruptible power supplies and other back-up systems, leases of roof space for communications equipment, data centers and rights to

operate. We negotiate “work letters” and other construction-related agreements. We also represent tax- exempt organizations in leases of health care facilities, day care centers and other such facilities. We also advocate for tenants in negotiations with New York State, New York City, and the State of New Jersey for tax abatements and other incentives regarding leasing transactions.

BUYING & SELLING

Our team members assist clients in buying and selling properties throughout the United States, with a focus on office, retail, and mixed-use buildings in Manhattan and elsewhere in the City of New York. We help close deals in the purchases and sales of actively managed office buildings, residential apartment complexes, retail portfolios, net-leased office buildings, joint venture transactions, air rights transfers, and transfers of controlling interests.

We represent both taxable and tax-exempt entities, advising them on the tax treatment of sales, acquisitions, joint ventures and financings. We handle tax-free exchanges and defeasance transactions and represent royally chartered entities in connection with real estate transactions.

REAL ESTATE FINANCING & DEVELOPMENT

We counsel clients on a wide range of real property development activity, including joint ventures, assemblages, obtaining subdivision and other regulatory approvals, ground leases and air rights transfers. In performing this work, many regulatory issues arise. For example, we deal with SEQRA and CEQR compliance and litigation, ULURP applications, franchises (including bridges across city streets), franchise renewals, and street demappings. We have represented lenders and borrowers in loans secured by interests in real property, including defeasance transactions.

CONSTRUCTION

Our practice includes the preparation of construction contracts, generally representing the owner, and construction access agreements between owners of adjoining properties. We separately represent owners (including a New York suburban county), contractors and subcontractors in connection with lien filings and discharges, Lien Law diversion of trust fund actions, and legal proceedings or arbitrations among owners, contractors and architects for breach of construction contracts and delay damages.

Our lawyers also assist clients that are constructing public infrastructure in obtaining access agreements, including drafting permanent and temporary easements and construction work permits and licenses.

Architects and Professional Agreements

We handle construction access and license agreement involving all manner of projects ranging from Local Law 11 maintenance work to major new residential, hotel and commercial projects. We have developed some of the strongest model agreements in New York City providing our clients (whether seeking or giving access) with the highest levels of protection and assurance if problems occur during a project. Where litigation regarding license agreements becomes necessary, either to secure access or seeking damages from access, our litigation department handles those matters.

While a decade ago, much construction access in New York City was handled with short agreements or a “handshake,” today formal agreements are becoming the norm even for routine façade inspection and maintenance. At the same time, where access cannot be accomplished through negotiation and litigation under Section 881 of the NYS Real Property Actions and Proceedings Law, courts have pushed back against unreasonable fee demands. These trends will continue in 2023, with owners seeking compensation for access (particularly where a new project or building is involved) and courts pushing back against unreasonably high access fee demands.

CONDEMNATION

With an active condemnation practice, we represent governmental entities in major condemnation matters. This work includes advice and representation in connection with governmental projects and proceedings, community and government relations, relocation of tenants, advice on litigation strategy and active prosecution of litigation.

Recent Client Highlights

- We helped the City of New York in negotiations with Amtrak to secure changes to railroad easements dating back nearly one hundred years in order to facilitate development above the railroad right-of-way while preserving the right of the railroad to meet modern operational requirements. These negotiations included dealing with three dimensional surveys, modern ventilation and emergency requirements, modern equipment and developing creative ways to work around missing easement documents.
- Completed \$35 million C Pace financing documentation for energy savings and related improvements in a Class A office building in Chicago.
- Ongoing representation of a New York municipality with extensive ocean front areas in lawsuits involving the interpretation and enforcement of easements permitting renourishment of sand dunes while preventing development which would interfere with the functioning of protective dunes. This representation has led to groundbreaking trial court decisions interpreting such easements.
- We were asked by a client to evaluate whether standard deed conveyance language transferring the appurtenances and all rights of the transferor in condemned property led to unwitting transfers of condemnation claims pending when the property was transferred.
- We worked on the restructuring of a multiple party \$150 loan syndication in connection with a Class A million square foot office tower in Chicago. The restructuring included bringing in a second class of lender parties primarily to fund committed tenant improvement work.

Representative Leasing Matters

- Haidilao Group with labor and employment, corporate, and real estate matters for its continued expansion in the U.S. Also counseled the Hong Kong Stock Exchange traded restaurant group on U.S. corporate, data privacy, and mobile application issues.
- French-American Chamber of Commerce in connection with its leasing of office space in Manhattan.
- Roosevelt Island Operating Corporation in:
 - A ground lease involving the adaptive re-use of a landmark structure and the construction of a 500-unit apartment complex
 - A ground lease to the Hudson Companies and the Related Companies on Roosevelt Island for the eighth of nine buildings to be constructed in the Southtown Community on Roosevelt Island, which will contain 340 units of affordable housing.
 - A ground lease to the Hudson Companies and the Related Companies on Roosevelt Island for the ninth and last buildings to be constructed in the Southtown Community, to be used for a 357-unit residential building, with 104 of the units to be used by Memorial Sloan Kettering Cancer Center for workforce housing.
 - The development of the FDR Four Freedoms Memorial on Roosevelt Island.
 - Negotiation of various ground leases on Roosevelt Island, including renegotiation of ground rent for buildings exiting the Mitchell-Lama program.
- Museum of American Finance in negotiation of a lease for its premises at 48 Wall Street. We assisted in the negotiation of architectural services and construction management agreements for its premises at 48 Wall Street.
- A tax-exempt landlord in negotiation of a 175,000 square foot lease to an archive company and assisted the owner in relocating existing tenants to create the necessary block of space.
- Represented a brokerage firm in a lease of more than 111,000 square feet. The lease was negotiated and signed within two weeks after the initial draft was received in our office. We also assisted the firm with various construction, architectural, engineering and consulting contracts in connection with its state-of-the-art build out.

- Represented a major bank in the lease of 126,000 square feet in a building under construction.
- For the Dormitory Authority of the State of New York, we negotiated a ground lease of a portion of the York College Campus in Queens in connection with the siting and development of the Northeastern Regional Laboratory of the U.S. Food and Drug Administration on the York College campus.
- Represented Hudson River Park Trust in entering into a ground lease with Chelsea Piers.
- For non-public clients we have negotiated amendments to ground leases to address circumstances ranging from division of subletting revenues to change of control.
- Negotiated a lease amendment for a New York printing company as ground lessor when a ground tenant transferred its interest to a third party, triggering rights under the original lease to renegotiate select terms.
- Represented a nonprofit entity in leasing a 160-bed temporary housing shelter in New York City.
- Continued representation of the landlord of an historic office building in Times Square in its office leasing.
- Capalino+Company on real estate, tax, and zoning implications for properties considered by its clients.
- Represented a British technology company in leasing office space in midtown Manhattan.
- Represented a foreign government in connection with a lease of space for its Permanent Mission to the United Nations and other leasing matters.
- For the Empire State Development, continued to provide advice in connection with its Columbia University Manhattanville Development Project and the possible redevelopment of the Penn Station area.
- Assisted a Real Estate Investment Trust client in purchasing a ground floor commercial unit in a cooperative building in SoHo, navigating zoning restrictions and potential tax implications with a multi-disciplinary team.
- Represented numerous tenants, including Euroclear Bank SA/NV, Vital Strategies and other brokerage firms and law firms, in leasing new or expanded office space in Manhattan.
- For the owner of a prime development site on the Upper West Side of Manhattan, we prepared and negotiated an architect's agreement and related agreements with structural engineers and consulting engineers for a new building, negotiated a term sheet with prospective joint venture partners, and analyzed structuring alternatives and tax projections for the project.
- Represented a tax-exempt client in Cambridge, Massachusetts in connection with a Freddie Mac mortgage financing of more than \$35 million, secured by a new residential rental property.
- Represented a tenant in leasing an historic theater in midtown Manhattan to be renovated and used as an entertainment venue.

Representative Conveyancing Matters:

- Represented a religious organization in the sale of an approximately 150 acre parcel of land near Saugerties, New York to The Scenic Hudson Land Trust for use as parkland.
- Represented a religious order on the sale of a parcel of land located in Riverdale, New York to The Hebrew Home for the Aged at Riverdale Foundation.
- Represented an estate in the sale of a six-story building located in Greenwich Village and relocated the existing tenant, Reversible Destiny Foundation, to new office space.
- Represented an owner in the sale of two residential complexes in California and Washington for more than \$100,000,000, the defeasance of the existing debt on the properties, and the acquisition of a portfolio of retail properties in a tax-free exchange.
- Represented an owner in a sale of an office building in lower Manhattan for more than \$35,000,000 and an acquisition of two parcels in midtown in a tax-free exchange.
- Represented owner in selling a portfolio of five commercial properties in Arizona, Washington and Oregon for more than \$25,000,000.
- We represented the Seller of a trophy property in midtown Manhattan that closed for more than \$150,000,000.

- Represented a New York State agency in a \$54 million purchase from various limited partnerships of a multi-use office and industrial building and parking facilities.
- Represented an owner in the sale of property on Manhattan's upper east side for more than \$45 million.
- Represented a tax-exempt organization in the sale of a debt-financed office building and the reinvestment of proceeds into two Manhattan commercial properties in a like-kind exchange to avoid recognition of unrelated business income tax.
- Represented a tax-exempt organization in the sale of a joint venture interest in a 26-story Manhattan office building to a private developer.
- Represented a religious corporation in the sale of property on Manhattan's upper east side for more than \$45 million.