

Real Estate Group Of The Year: Sullivan & Cromwell

By **McCord Pagan**

Law360 (February 15, 2019, 4:17 PM EST) -- Sullivan & Cromwell LLP last year handled transactions such as GGP Inc.'s \$14.8 billion buyout by Brookfield Property Partners and the San Francisco Giants' \$1.6 billion redevelopment of the land around its stadium, earning it a spot as one of Law360's Real Estate Groups of the Year.

Robert Schlein, managing partner of Sullivan & Cromwell's real estate practice, said one of the strengths of the group is its place within the broader corporate practice area of the firm, allowing attorneys to work with companies on transactions that overlap into other fields, such as private equity or sports. Schlein said that structure gives them a competitive advantage and is more enjoyable for the client.

"There's a small team working with them as opposed to different pockets they're not as familiar with," Schlein said. "We really think of ourselves as both real estate lawyers and general corporate lawyers."

At the firm of about 900 lawyers, the roughly 27 partners and associates in the real estate group work mostly out of New York, though some are in London, Tokyo and Frankfurt.

Partner Anthony Colletta said Sullivan & Cromwell's representation of Goldman Sachs unit Broad Street Principal Investments LLC as it acquired about \$750 million worth of residential San Francisco real estate from multiple sellers — about 1,450 apartments across 61 buildings — is an example of the depth of the real estate group.

The firm handled the financing, the acquisition and the setting up of a joint venture with a local partner in the series of three deals, the last of which closed in October.

"That was sort of case in point of the range of things we do with clients," Colletta said.

The group also works on mergers and acquisitions and represented retail-focused real estate investment trust GGP Inc. in its sale to Brookfield for about \$14.8 billion. Brookfield, which was already an investor in GGP, bought the rest of the shares for about \$23.50 each in the deal that closed in August. Including debt, the deal was worth nearly \$28 billion.



The deal with GGP was a natural progression in the two groups' relationship, Colletta said. Sullivan & Cromwell had a relationship GGP for years, from being underwriters counsel on its initial public offering to helping representing its creditors in bankruptcy proceedings and in deals post-bankruptcy.

"This was sort of the culmination of that," Colletta said. "It was an important deal for us that drew on a lot of our strengths."

Partner Pavan Surapaneni said the GGP transaction is the type of deal that speaks to the depth of Sullivan & Cromwell's real estate group, as it required addressing additional issues beyond the transaction itself, such as employee benefits and tax implications.

"We're able to provide seamless advice in these type of areas," Surapaneni said.

In April, Sullivan & Cromwell represented Tishman Speyer as it accepted \$1.8 billion in financing from Blackstone Mortgage Trust for construction of The Spiral, a 2.8 million-square-foot, 65-story office tower in Manhattan's Hudson Yards neighborhood.

The financing for The Spiral — 28 percent of which Tishman has already leased to Pfizer Inc. — is the largest single-asset loan the Blackstone real estate trust has ever made, the company said at the time.

"To arrange \$1.8 billion of construction financing for any project is no small task," Colletta said.

As for Surapaneni, he worked on a \$1.6 billion joint venture, also involving Tishman Speyer, with the San Francisco Giants. Announced in September, the deal involves redeveloping about 28 acres of parking lots and piers around the Giants' stadium, then known as AT&T Park, into housing, office and retail space.

Even though real estate was a "relatively unfamiliar space" for the Giants, the baseball team saw a chance to use the land in a way to partially address the city's housing and office space shortage, Surapaneni said.

"It was a great opportunity for us to bring our experience in and present them with a lot of value moving into a relatively unfamiliar space," he said.

When complete, the Mission Rock development will create about 1,400 housing units, 40 percent of which are earmarked for low- to middle-income renters. The project also creates 1.4 million square feet of office space and 250,000 square feet for retail and small manufacturing, according to a press release announcing the joint venture.

"I think it's one of the most important developments in the city," Surapaneni said.

--Additional reporting by Andrew McIntyre. Editing by Nicole Bleier.